

Regulator of Social Housing registration number: LH3687
Company no. 01944516
Charity no. 516872

Worcestershire YMCA Limited
Report and Consolidated Audited
Financial Statements
31 March 2025

Worcestershire YMCA Limited

Reference and administrative details

For the year ended 31 March 2025

Regulator of Social Housing registration number LH3687

Company number 01944516

Charity number 516872

Registered office and operational address Gordon Anstis House
Loxley Close
Redditch
B98 9JS

Board Members Members of the Board are directors of the association and charitable company for the purposes of company law and trustees of the charity for the purposes of charity law.

Lindsay Sartori	Chair
Melanie Braden	
Emma Cartwright	
Harvinder Khatkar	Appointed 17 March 2025
Robert Pearce	Appointed 9 December 2024
Rev Gail Rogers	
Rev Michael Sermon	
Philip Smiglarski	

Company secretary Dr Annette Daly

Senior management team	Dr Annette Daly	Chief Executive Officer
	Corin Fletcher	Head of Housing and Support
	Dominique Needles	Head of HR
	Mick York	Head of Operations (to include oversight of Finance function) (from 1 February 2025) – previously Head of Business Development
	Richard Deane	Head of Finance (resigned 31 January 2025)

Bankers Unity Trust Bank plc
Nine Bridley Place
Birmingham
B1 2HB

Solicitors MFG Solicitors LLP
Adam House
Birmingham Road
Kidderminster
Worcestershire
DY10 2SH

Worcestershire YMCA Limited

Reference and administrative details

For the year ended 31 March 2025

Auditors

Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2025.

Constitution

The Association is a charitable company registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The Association is established as a registered social landlord with no share capital. The Association is a charitable company limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association. The terms Charity and Association are to be used interchangeably within this report.

Structure, governance and management

Organisational structure

Our Affiliation: The Association is part of the global YMCA movement, affiliated with the National Council of YMCAs in England and Wales, and through them, the World Council of YMCAs. We pay an affiliation fee to the National Council but receive no funds from either body.

Our Group Structure: The Association is the sole member and parent charity of Worcester YMCA, a charitable company limited by guarantee. As such, our maximum liability upon its winding up is £1. Worcester YMCA, which is not regulated by the Regulator of Social Housing (RSH), is the parent charity for two wholly-owned trading subsidiaries: First Class Nursery (Kidderminster) Limited and Little Treasures Limited.

Board Governance: The Association is governed by its volunteer Board of Trustee Directors. This Board oversees strategy and policy, approves annual budgets and accounts, and works in conjunction with senior executive staff who recommend strategy, policy, and manage operations. The Board holds four formal meetings annually for business review and strategic discussions, with additional meetings as needed. New Board members receive comprehensive induction, including Charity Commission guidance. Board attendance, interests, and skills are monitored and reviewed annually. We adhere to adopted Codes of Governance and Conduct and benefit from the YMCA movement's support, development, and benchmarking information.

The Board's role is to oversee, endorse, or challenge short and medium-term strategies proposed by senior executive staff. Our aim is to safeguard the Association's long-term interests and ensure its ethos and values are consistently maintained.

Operational Management: Day-to-day operations are managed by the senior management team, comprising the Chief Executive, Head of Housing and Support, Head of Operations, and Head of HR. This team attends Board meetings. Senior management salaries are set by the Board, considering benchmark information from the not-for-profit sector and the YMCA movement.

We ensure that those benefiting from our activities and key stakeholders are involved in the design, monitoring, and evaluation of our services. Clear access to both senior management and Board members is an integral part of our engagement process.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Board Recruitment and Appointment: The Board comprises up to twelve elected members, each serving a three-year term and eligible for re-election for up to two additional terms. Co-opted members serve until the next Annual General Meeting (AGM), where they can stand for election. All Board members are elected from the Association's wider membership at the AGM, which is open to all men and women. All Board members affirm their commitment to the charity's Christian ethos. No external person or body can appoint Board members. Board members volunteer their time and receive no benefits, with any reclaimed expenses or payments detailed in the accounts.

Our Board aims for a composition primarily drawn from the community we serve, while simultaneously seeking diverse perspectives and experiences to effectively oversee the Association's operations. We recruit new members accordingly, ensuring potential directors understand the YMCA Movement's aims and purposes and commit to its responsibilities. The skills and experience of individual Board members are considered to ensure overall balance.

Board Induction and Training: New Board members receive a welcome pack containing Charity Commission and YMCA Movement literature, including the YMCA Code of Governance, Articles of Association, latest financial information, minutes, and key policies. Beyond the four scheduled meetings, additional sessions are held to discuss the Association's work and future direction.

As part of the YMCA Movement, Board members access its trustee development programme, training, support, and benchmarking information. The Board conducts periodic background and skills audits to identify future recruitment needs, and meeting attendance is regularly monitored.

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The Association collaborates with compatible organisations, funders, and commissioners whose ethos and values align with ours.

Code of Governance: The Association's Board has adopted the National YMCA Code of Governance, based on the National Housing Federation Code of Governance. During the year, the Board conducted an assessment of compliance with the Governance and Financial Viability Standard and is satisfied that the Association fully complies.

Corporate Governance – internal financial control

The Board takes ultimate responsibility for ensuring the Association maintains a robust system of internal controls, tailored to our operating environment. These controls are designed to provide reasonable assurance regarding:

- The reliability of financial information, both internal and public;
- The proper maintenance of accounting records; and
- The safeguarding of assets against unauthorised use or disposal.

While no system can offer absolute assurance against misstatement or loss, the Board is responsible for establishing and maintaining effective internal financial controls. Key elements of our system include:

- Formal policies and procedures, with documented key systems and clear rules for delegated authorities, which enable control monitoring and restrict unauthorised asset use;
- Experienced and qualified staff managing important business functions;
- Annual appraisal procedures to uphold performance standards;

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

- Forecasts and budgets that allow the Board and management to monitor key business risks, financial objectives, and progress against annual and medium-term financial plans;
- Prompt and regular management accounts providing relevant, reliable, and up-to-date financial and other information, with significant budget variances investigated as needed; and
- Formal authorisation procedures for all significant new initiatives, major commitments, and investment projects, involving Board members and other relevant parties.

The Board regularly reviews reports from both management and external auditors to gain reasonable assurance that control procedures are in place and being followed. We have also established formal procedures to promptly address and correct any weaknesses identified from these reports.

Strategic report

Principal risks and uncertainties and risk management

The Association maintains a risk register, based on the Charity Commission's template and covers governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

Governance Risks

- **Strategic Planning:** A clear strategic plan ensures the organisation has a focused direction.
- **Board Assessment:** The Board's skills and commitment are regularly assessed to ensure effective leadership.
- **Conflict of Interest Policies:** Strict policies on conflicts of interest and private benefit promote a culture of collective responsibility.
- **Regular Reporting:** Comprehensive reporting ensures Trustees have the necessary information for informed and effective oversight.
- **Alignment with Charitable Objects:** All work is consistently aligned with the organisation's charitable objectives.

Operational Risks

- **Safeguarding:** Rigorous safeguarding policies and mandatory training are in place to prioritise the safety of all individuals.
- **Business Continuity:** We have developed and tested business continuity and IT disaster recovery plans to ensure service continuity.
- **Property Management:** Proactive maintenance and regular compliance checks are conducted to manage our properties.
- **Workforce Management:** We use robust recruitment processes and provide continuous staff development to manage our workforce effectively.
- **Technology & Cybersecurity:** Our IT systems are secure, and we provide ongoing cybersecurity training to mitigate technology risks.

Financial Risks

- **Income Diversification:** We actively diversify our income streams to avoid over-reliance on a single source.
- **Reserve Policy:** We maintain a Free Reserves Policy to create a financial buffer against unexpected events.
- **Budgeting & Cost Control:** We use rigorous budgeting, including detailed cash flow projections and strict cost controls.
- **Financial Controls:** We have robust financial controls and proactive debt management to ensure accountability and accuracy.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

- **Lending Covenant Monitoring:** We regularly communicate and monitor lending covenants to maintain strong relationships with financial stakeholders.

Environmental and External Risks

- **Continuous Monitoring:** We continuously monitor economic and policy trends to anticipate and respond to external challenges.
- **Financial Resilience:** We strengthen our financial resilience through income diversification and by maintaining financial reserves.
- **Flexible Service Delivery:** We have developed flexible service delivery models to adapt to changing needs and circumstances.
- **Property Resilience:** We invest in property resilience and emergency preparedness to protect our assets.
- **Stakeholder Engagement:** We engage in ongoing stakeholder engagement and advocacy to help us navigate the external environment.

Compliance Risks

- **Legal Framework:** We maintain a comprehensive legal register and regularly review our policies to ensure they remain current and compliant.
- **Oversight and Monitoring:** The Board and senior leadership provide continuous oversight and monitoring to ensure compliance is upheld.
- **Expertise:** We use external legal experts when necessary to ensure we have access to specialised legal advice.
- **Training and Procedures:** We have implemented rigorous procedures and provide targeted training in key areas, including safeguarding, data protection (UK GDPR), and employment law.
- **Statutory Submissions:** We ensure the timely submission of all statutory returns to meet our legal obligations.

Financial review

Reserves

The Board is confident that the Association and Group holds sufficient assets to meet its obligations as they arise. As of March 31, 2025, the Group's net current assets are £452,635 (2024: £984,406), and net assets and total reserves are £2,954,660 (2024: £3,354,805) including restricted reserves of £23,212 (2024: £nil). The decrease in the Group's general funds is primarily due to an operational deficit in the year under review.

As a non-profit organisation, the Association and Group do not trade for profit. However, we aim for income to exceed expenditure annually, ensuring a safety margin for unforeseen circumstances. Our Articles of Association prevent the distribution of reserves; instead, they are applied directly to further our charitable aims and objectives, including the provision of social housing.

To manage long-term financial stability, the Association has an asset management plan. This plan anticipates major building maintenance and likely costs over the next 15 years, with long-term housing stock maintenance and improvement needs regularly reviewed by the Board.

The Board has reviewed and reaffirmed its reserves policy. Our aim is to maintain reserves sufficient to fund at least two months of total Group expenditure, equating to £808,865. This provision is designed to cover a material decline in incoming resources, with at least half of this amount held in cash. We will regularly review this policy, considering the dynamic financial, regulatory, and competitive environment in which we operate.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Traditionally, free reserves are calculated by deducting restricted reserves, fixed assets, and investments from net assets. Using this method, our Group free reserves amount to a deficit of £4,053,599. However, given our status as a Registered Provider, we adjust this calculation for long-term liabilities like bank loans secured against housing properties (£1,576,216) and government grant creditors reflecting social housing grants (£2,845,585). By this adjusted calculation, our Group free reserves are £368,202 (2024: £879,258). This adjusted figure means our free reserves do not meet our policy target of £808,865, resulting in a shortfall of £440,663. Free reserves have been built up from operating surpluses in past years. We plan to build upon our free reserves to support business continuity in the face of potential risks and to meet our policy target in the coming period.

Pension deficit

As detailed in note 23 of the financial statements, Worcestershire YMCA Limited and Worcester YMCA participate in a contributory defined benefit pension plan for employees of YMCAs in England, Scotland, and Wales. As of 31 March 2025, the pension deficit for the Association was £74,421 (2024: £109,499), and for the Group, it was £93,194 (2024: £137,121), as shown on the balance sheet.

We acknowledge the potential concerns regarding our participation in this defined benefit scheme and have taken appropriate action. The scheme was closed to new members in 2007, and the link to final salary was broken in 2011. We continue to make additional contributions to reduce the deficit. As part of the YMCA federation, this multi-employer scheme is overseen by an independent board of trustees, with employer representation through the Principal Employer, the National Council of YMCAs.

The pension scheme trustees conduct an actuarial valuation every three years. We have carefully considered the implications of the latest valuation on the Association's finances. Our budgets, forecasts, and plans consistently include the impact of deficit repayments, ensuring our ability to continue delivering our charitable objectives. The Board explicitly considered the impact of these pension scheme deficit repayments when assessing our going concern status, reserves, and the various risks and uncertainties noted elsewhere in this report.

Worcestershire YMCA Limited benefits from the expertise of the pension scheme trustees and the Principal Employer, who seek specialist professional advice to manage the scheme and explore ways to reduce the overall pension deficit. Further details are provided in note 23 of the financial statements and accounting policy 1(s).

The valuation as of 1 May 2023, showed a YMCA Pension Plan deficit of £9.1 million. Consequently, Worcestershire YMCA Limited and Worcester YMCA were advised to make annual contributions of £38,224 and £9,642, respectively, from 1 May 2023, with no uplift in subsequent years. At 31 March 2025, the current recovery period is three years commencing 1 May 2024.

Fundraising

Fundraising plays an increasingly important role in enabling us to achieve our charitable objectives and deliver vital services. We are committed to ensuring that all our fundraising activities are conducted to the highest ethical and professional standards, in full compliance with all relevant legislation and best practice guidelines.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Our approach to fundraising is underpinned by the following principles:

1. **Legal Compliance:** We adhere strictly to all applicable laws and regulations governing fundraising in the United Kingdom. This includes, but is not limited to, the Charities Act 2011 (and its amendments, such as the Charities (Protection and Social Investment) Act 2016), data protection legislation (including GDPR and the Data Protection Act 2018), and any specific licensing requirements for activities such as street collections, house-to-house collections, lotteries, and raffles.
2. While our fundraising activities currently fall below the threshold requiring mandatory registration with the Fundraising Regulator, we are fully committed to applying and upholding the standards set out in the Code of Fundraising Practice. This code mandates that our fundraising activities are:
 - **Legal:** Operating within the bounds of the law;
 - **Open:** Transparent about our processes and willing to provide information;
 - **Honest:** Acting with integrity and not misleading the public about our cause or how donations will be used; and
 - **Respectful:** Treating all members of the public, particularly those who may be vulnerable, fairly and with respect, avoiding undue pressure or unreasonably persistent approaches.
3. **Charity Commission Requirements:** We ensure that all funds raised are used exclusively for our stated charitable purposes. We comply with Charity Commission guidance on fundraising, including:
 - **Responsible Management of Funds:** Ensuring safe and secure handling of donations and that fundraising costs are proportionate;
 - **Clear Appeal Wording:** All appeals clearly state the identity of our charity, the purpose for which funds are being raised, and how they will be used. Where applicable, we clearly outline what will happen to any surplus funds or if insufficient funds are raised for a specific appeal;
 - **Transparency and Accountability:** We provide comprehensive information on our fundraising activities, demonstrating where money comes from and how it is expended. We have robust procedures for dealing with complaints, ensuring they are accessible and handled promptly and sensitively; and
 - **Due Diligence:** We undertake appropriate due diligence on all significant donations and partnerships to protect the charity's reputation and ensure funds are ethically sourced.
4. **Best Practice and Ethical Conduct:** Beyond regulatory requirements, we strive for excellence in fundraising by:
 - **Supporter Care:** Building and maintaining positive, respectful relationships with our supporters, ensuring they have a positive experience when engaging with us;
 - **Protection of Vulnerable People:** Taking all reasonable steps to treat potential donors fairly, particularly those in vulnerable circumstances, and ensuring that donations are not accepted where an individual lacks the capacity to make an informed decision;
 - **Training and Oversight:** Ensuring that all staff and volunteers involved in fundraising are adequately trained and understand their responsibilities regarding ethical conduct and compliance. We regularly review our fundraising practices to identify areas for improvement; and
 - **Risk Management:** Proactively identifying and managing any reputational, financial, or operational risks associated with our fundraising activities.

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Board report

For the year ended 31 March 2025

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

The Objects of the Association are:

To advance the Christian faith, including by:

- a) promoting a Christian environment and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of none can work together for the transformation of communities;
- b) enabling people of all ages and in particular young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ;
- c) providing or assisting in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- d) To provide or assist in the provision of education for people of all ages and in particular young people, with the object of developing their physical, mental or spiritual capacities;
- e) To relieve or assist in the relief of people of all ages and in particular young people, who are in conditions of need, hardship, or distress by reason of their social, physical, emotional, spiritual or economic circumstances; and
- f) To provide residential accommodation, including Social Housing, for people of all ages and in particular young people, who are in need, hardship, or distress by reason of their social, physical, emotional, spiritual or economic circumstances.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Our Strategic Goals

Strengthen our organisation's people, culture, and resources

In the past year, we have made significant strides in fortifying the foundation of our organisation. We've focused on investing in our staff through comprehensive training and professional development programs, ensuring they have the skills and support needed to excel.

Build a financially stable and sustainable organisation

Through prudent financial management, diversification of our income streams, and securing new funding opportunities, we have begun the journey of improving our fiscal position. This stability is crucial, as it allows us to continue our vital work without interruption and to plan for future growth and development. Our focus remains on long-term sustainability, ensuring we can serve our community for years to come.

Increase the quality and quantity of our housing offer

Meeting the growing demand for safe and affordable housing remains a top priority. We are working to increase the number of housing units we provide and to enhance their quality through targeted refurbishment and maintenance projects.

Worcestershire YMCA Limited

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Enhance and grow the support work we do in line with our social purpose and community needs

Our support services are at the heart of our social purpose. We are expanding our support programs, tailoring them to meet the evolving needs of our community. By collaborating with local partners and listening to the voices of those we serve, we are enhanced the reach and effectiveness of our support work, creating a more significant and lasting impact.

Cultivate a strong brand identity for YMCA Worcestershire, enhancing its visibility and reputation

Building a strong and recognisable brand for YMCA Worcestershire is key to increasing our impact and reaching more people in need. We have actively worked to enhance our visibility through strategic communications, community engagement events, and digital outreach. By clearly articulating our mission and sharing the stories of those we support, we are reinforcing our reputation as a trusted and vital community asset.

Strategic Planning and Governance

The strategic plan for the medium and short term will ensure that the Association's core objects are pursued and its purpose fulfilled, within the framework established by the Board. The Board will continue to retain the right of veto, offering an additional perspective as non-executives and providing a check and balance for the plan before its approval. This strategic framework and these plans will together form our business plan.

Sustainability and Focus

For 2026, a broader spread of income generation will remain a priority for long-term sustainability. We will continue to be responsive to commissioning opportunities that arise from social policy, as the public sector remains a large market. Our plan will remain beneficiary-focused, taking into account our current capacity and capability rather than putting our capabilities first.

Measuring Success

We will measure the success of our 2025 strategy through a clear and continuous process:

- **Annual Planning:** Prior to the commencement of the financial year, plans will be produced as part of our budgetary cycle and submitted to the Board for approval by the beginning of the year;
- **In-Year Monitoring:** Throughout the year, the senior management team will meet regularly to monitor performance in both financial and non-financial terms. Progress will be reported and variances will be explained to the Board;
- **Annual Review:** An annual review will be conducted by the Board and senior management. An Annual General Meeting will also be held, and a report presented by the Board and senior management to members; and
- **Partner Reviews:** Throughout the year, periodic reviews will be conducted with partner organisations, including commissioning bodies.

Planned Activities

We will continue to operate from our accommodation units, community centre, nurseries, and prison. We will provide a range of services, including preschool nurseries, play workers in prison, school work, youth work, and support for young people towards independent living, 'move on' accommodation, and support for vulnerable adults.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

The three most significant charitable activities contributing to the achievement of our objectives in 2025 are projected to be:

- Residential Accommodation & Facilities Management;
- Children and Youth services; and
- Family Services.

During the year, income from the Association's own activities increased from £2,778,248 to £2,931,065 and the effect of the addition of the Worcester YMCA group generated a consolidated income (turnover and interest receivable) of £4,560,794 (2024: £3,945,451) for the year. The additional income from Worcester YMCA was from non-regulated housing and housing related support and income from two trading subsidiaries operating in the nursery sector.

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rental debts, changes to nursery government funding model and the need to ensure a more commercial approach to some areas of delivery as well as the rising cost of living.

Further analysis of the income and expenditure on operations can be found in notes 2 to 7 of the financial statements.

Nurseries

During the past year, we operated four nurseries within the Worcestershire YMCA Limited group. Whilst one of our Kidderminster nursery closed due to its lease ending, our remaining three nurseries in Redditch, Kidderminster, and Worcester continue to provide high-quality early years education. All our nurseries are Ofsted-regulated and proudly rated 'Good'.

These settings consistently enhance our provision across the group and contribute significantly to diversifying our income.

Our nurseries are guided by a curriculum statement of intent that provides a clear framework for our educational programs. This framework outlines the knowledge and skills children gain at each stage, evolving into a structured and narrative approach over time. In line with our Association's objectives, our curriculum enables children to live life to its fullest by offering stimulating learning experiences rooted in our values. We focus on developing children's spiritual, social, moral, and cultural understanding through a holistic curriculum that fosters lifelong learning. Our learning environments are designed to build upon children's prior experiences and are tailored to the diverse needs of the families we support, consistently following government guidance for the education sector.

HMP Hewell Rainbow Project

Our HMP Hewell Family Support Project, known as the Rainbow Project, is a vital initiative dedicated to mitigating the profound impact of parental imprisonment on children and families in Redditch and the surrounding areas. Recognising that having a parent in prison can significantly affect a child's education, mental health, and social well-being, this project provides crucial support designed to maintain and strengthen family bonds during a challenging period.

We deliver comprehensive parenting programmes for inmates of HMP Hewell, offering a range of courses aimed at improving parent-child relationships. These programmes equip incarcerated parents with the skills and understanding necessary to nurture their children's development despite the circumstances.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

A cornerstone of our work is facilitating Family Days at HMP Hewell. These events provide a relaxed and enjoyable environment for children to visit their fathers, fostering a sense of "normality" amidst the prison setting. With dedicated play workers and engaging activities, Family Days enable quality time, helping to preserve the crucial parent-child connection.

Beyond the prison walls, we offer support to families through various adult education and family time initiatives. Our aim is to support families holistically, reducing isolation and aiding in the complex process of reintegration upon a parent's release. We also work to raise awareness and provide training to staff in schools and nurseries, equipping them to identify and support children affected by imprisonment.

The Rainbow Project embodies our commitment to supporting the most vulnerable members of our community, ensuring that children maintain connections with their parents and that families receive the vital support needed to navigate the challenges of imprisonment and build a more stable future.

Youth Work

Our comprehensive youth work provides safe spaces, meaningful engagement, and tailored support for young individuals.

Our Youth Clubs offer vibrant, supervised environments where young people can socialise, learn new skills, and participate in diverse activities from sports to creative arts. These clubs foster a sense of belonging, encouraging personal growth and positive peer relationships under the guidance of our dedicated youth workers.

For more individualised support, our Mentoring Programme pairs young people with trained adult mentors. These trusted relationships provide guidance on academic progress, career aspirations, and personal challenges, helping young individuals to set goals and unlock their potential.

Our Holiday Activities and Food (HAF) Summer Clubs are crucial in combating holiday hunger and isolation. These programmes provide free, engaging activities and nutritious meals for eligible young people during school holidays, ensuring they have access to stimulating experiences that support their physical and mental well-being.

Together, these initiatives form the cornerstone of our youth work, reflecting our deep commitment to nurturing the next generation and building a stronger community.

Community Centres

Willow Trees Community Centre stands as a vibrant hub at the heart of our community in Redditch, providing a diverse range of essential services and activities designed to meet the varying needs of local residents, from young children to older adults. The centre offers a welcoming and inclusive environment where individuals and families can access support, learn new skills, socialise, and improve their overall well-being. From engaging early years programmes, including baby and toddler classes that foster development and provide crucial parental support, to adult learning opportunities such as IT courses, and health and fitness sessions, the centre actively promotes lifelong learning and healthy living. We also host vital social groups, specifically designed to combat social isolation and build strong community connections. The income generated through flexible room hire for meetings, conferences, and private events is directly reinvested into the centre, ensuring the continued provision and enhancement of these invaluable community services.

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Board report

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Housing and Support

Our Housing and Support service remains a cornerstone of the work we deliver across Worcestershire, providing essential accommodation and comprehensive support to individuals in need. We currently manage 207 accommodation units, 84 of which are dedicated supported accommodation units.

We are pleased to report a significant achievement in the past year, with our supported housing contracts being successfully recommissioned in Q4, leading to an increased level of provision commencing April 2025. This expansion reflects the recognised value and impact of our services within the county.

We work collaboratively with a diverse range of partners to unlock opportunities for all our residents. This includes crucial support in employment and training, guidance on benefit maximisation, and practical courses in financial management. We also provide vital awareness and training in substance misuse, mental, physical, and sexual health and well-being. We actively encourage our residents to engage in other YMCA Worcestershire activities, fostering a sense of community and broader personal development. Our success is evident in the number of residents we have successfully helped to move on to more independent living arrangements, often within our own non-supported accommodation.

Value for Money (VFM)

On 1 April 2018, the Regulator of Social Housing (RSH) revised its regulatory approach to Value for Money (VFM). The objectives of this change were to:

- Continue driving VFM improvements within the social housing sector;
- Ensure a strategic approach to VFM is embedded within business operations;
- Encourage investment in existing homes and new housing supply; and
- Enhance the consistency, comparability, and transparency of VFM reporting.

Regulatory Metrics

RSH Metric	2025	Restated 2024
1. Reinvestment %	-	-
2a. New supply (social housing units) %	-	-
2b. New supply (non-social housing units) %	-	-
3. Gearing %	25%	16%
4. EBIDTA MRI interest cover %	(426)%	(311)%
5. Headline social housing cost per unit £	£8,503	£9,060
6a. Operating margin (social housing lettings only) %	30%	17%
6b. Operating margin (overall) %	(20)%	(27)%
7. Return on Capital Employed %	(8)%	(9)%

The comparative figures for 2024 for metrics 5 and 6a have been restated to reflect the revised basis for determining social housing operating costs, as detailed in note 3.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Commentary on regulatory metrics

As a small, specialist charitable housing association, our organisation has a diverse range of activities. Our consolidated results include both regulated and non-regulated housing activities. This diversity makes direct comparisons and benchmarking with other housing associations and charitable housing associations difficult. We are, however, aiming to develop benchmarking with similar providers.

Analysis of Key Performance Indicators

1. Reinvestment %: There were no additions to social housing fixed assets during the year. We instead focused on a program of ongoing repair and upkeep, with the costs expensed as they were incurred;
2. New Supply (Social & Non-Social Housing Units) %: We did not add any new social or non-social housing units during the year;
3. Gearing %: This represents our net debt to lenders as a percentage of the total value of our housing properties. Our current gearing level is low, which provides us with the capacity to borrow more if needed. The increase in the percentage is due to a higher amount being owed to the trading subsidiaries within the group;
4. EBITDA MRI Interest Cover %: This metric compares our surplus or deficit to the interest payable. The negative percentage has increased compared to the previous year, due to a decline in EBITDA and a decrease in interest payable.
5. Headline Social Cost per Unit: This is calculated by dividing total social housing costs by the total number of units owned and managed. The decrease in cost per unit this year is due to a reduction in maintenance and premises costs allocated to a similar number of units;
- 6a. Operating Margin (Social Housing Lettings) %: Our operating margin from social housing lettings, which is the operating surplus from lettings divided by the turnover from lettings, has increased primarily due to cost savings in maintenance and premises expenses.
- 6b. Operating Margin (Overall) %: The improvement in this overall operating margin, which is the operating surplus or deficit divided by turnover, reflects the reduced operating loss incurred during the year; and
7. Return on Capital Employed %: This metric compares the overall operating surplus or deficit to our total assets minus current liabilities, and has remained relatively constant during the year.

Public benefit

We are committed to ensuring that our activities consistently deliver clear and demonstrable public benefit, aligning with the Charity Commission's general guidance. When reviewing our aims and objectives and planning future activities, we have carefully considered how our work directly contributes to our core mission.

Our work primarily benefits communities, particularly young people, within the County of Worcestershire. We achieve this by working directly with parents, children, and young people themselves. Our diverse activities encompass:

- Affordable, flexible childcare, supporting families and early childhood development;
- Engaging with school-age children both within and outside of school settings throughout the year;
- Providing formal and informal education opportunities for young people and adults;
- Offering leisure activities, including those focused on health and well-being;
- Delivering support towards independent living for vulnerable individuals;
- Engaging in crucial preventative work and providing support within the prison system for offenders and their families; and
- We offer affordable residential accommodation, as a registered provider of social housing.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

We recognise the paramount importance of responding to community needs and allowing these needs to influence our development. We continuously consult with participants, potential participants, and partner organisations through various channels, including formal surveys, one-to-one sessions, and informal meetings. We are committed to continuous service improvement, actively responding to feedback and complaints. Informal comments are addressed by relevant management, while formal issues are handled in accordance with our service delivery policies and procedures and reported to the Board. Furthermore, our services are regularly reviewed against current best practices and guidelines issued by regulatory and similar bodies, ensuring we maintain the highest standards of provision for public benefit.

Plans for future periods

Looking ahead, we are committed to building upon our established successes and further expanding our impact across Worcestershire, particularly in response to the evolving needs of our communities and the current national financial landscape. Our strategic planning for future periods is focused on strengthening existing provisions and exploring new opportunities for growth and deeper engagement.

Key areas of focus for the upcoming periods include:

- **Growing our Housing and Support Services:** Building on the successful recommissioning of our supported housing contracts, we aim to further increase our capacity to provide safe, affordable accommodation and comprehensive support services. This includes exploring opportunities to acquire and develop additional units and enhancing the range of support offered to residents to promote independent living and positive outcomes;
- **Enhancing Youth Development Programmes:** We will continue to invest in and refine our youth work, including our Youth Clubs, Mentoring Programme, and HAF Summer Clubs. Our focus will be on ensuring these programmes remain relevant, accessible, and impactful, fostering resilience, life skills, and positive pathways for young people. We are committed to actively listening to young voices to shape our future offerings;
- **Developing Willow Trees Community Centre:** We plan to maximise the potential of Willow Trees Community Centre as a vibrant hub for the Redditch community. This includes continuing to diversify the services offered, ensuring they meet identified community needs, and exploring further opportunities for facility utilisation and income generation to ensure its long-term sustainability;
- **Strengthening Family Support at HMP Hewell:** The Rainbow Project will continue its vital work with inmates and their families. We will seek to expand the reach and depth of our parenting programmes and family days, and enhance the support provided to families outside the prison to aid in reintegration and reduce the intergenerational impact of imprisonment;
- **Diversifying Income and Partnerships:** In recognition of the ongoing economic challenges, a key strategic priority is to further diversify our income streams. This includes exploring new fundraising avenues, social enterprise opportunities, and strengthening our collaborations with local authorities, businesses, and other charitable organisations to create mutually beneficial partnerships that amplify our collective impact; and
- **Continuous Improvement and Responsiveness:** We are dedicated to maintaining high standards across all our services. This involves continuous review of our practices against best practice guidelines, actively seeking and responding to feedback from beneficiaries and partners, and adapting our services to address emerging community needs effectively and efficiently.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Statement of responsibilities of the board

The board (who are also directors of the Association for the purposes of company law) are responsible for preparing the board report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Companies Act 2006 and registered social housing legislation requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing Statement of Recommended Practice (SORP);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board is also responsible for maintaining proper accounting records. These records must accurately disclose the financial position of both the Association and the group at all times. They must also ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for private registered providers of social housing in England 2022. Additionally, the Board is responsible for safeguarding the assets of the charity and the group, which includes taking reasonable steps to prevent and detect fraud and other irregularities.

As far as the Board is aware:

- there is no relevant audit information of which the association's auditors are unaware; and
- the board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information published on the Association's website. It's important to note that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from that in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent association and have expressed their willingness to continue in that capacity.

Approved by the board on 26 September 2025 and signed on its behalf by



Lindsay Sartori - chair and board member



Michael Sermon - board member

Independent auditors' report

To the members of

Worcestershire YMCA Limited

Opinion

We have audited the financial statements of Worcestershire YMCA Limited (the 'parent association') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, consolidated and parent association balance sheets, consolidated statement of changes in reserves, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent association's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for registered providers of social housing in England 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The board are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

Worcestershire YMCA Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the board report, which includes the directors' report and strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent association and their environment obtained in the course of the audit, we have not identified material misstatements in the board report (incorporating the strategic report). We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent association, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent association financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the follower matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out in the board report, the board (who are also the directors of the association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the group and the parent association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the group or the parent association or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Worcestershire YMCA Limited

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the group and parent association operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the group and parent association's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of board meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

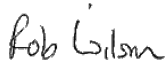
To the members of

Worcestershire YMCA Limited

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 26 September 2025

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcestershire YMCA Limited

Consolidated statement of comprehensive income *(incorporating an income and expenditure account)*

For the year ended 31 March 2025

		2025	2024
		Total	Total
		£	£
Turnover	2	4,560,770	3,945,450
Operating expenditure	5	<u>(4,853,189)</u>	<u>(4,577,701)</u>
Operating deficit	7	<u>(292,419)</u>	<u>(632,251)</u>
Interest receivable and other income		24	1
Interest and financing costs	6	<u>(103,197)</u>	<u>(130,938)</u>
Deficit for the year before taxation		<u>(395,592)</u>	<u>(763,188)</u>
Taxation	10	<u>(4,553)</u>	<u>400</u>
Total comprehensive expenditure		<u>(400,145)</u>	<u>(762,788)</u>

The consolidated financial statements relate to wholly continuing operations.

The consolidated financial statements were approved by the Board on 26 September 2025



Lindsay Sartori - chair and board member



Michael Sermon - board member

Worcestershire YMCA Limited

Consolidated balance sheets

As at 31 March 2025

	Note	The group 2025 £	The group 2024 £	The association 2025 £	The association 2024 £
Fixed assets					
Housing properties	11	6,860,205	6,821,721	5,670,147	5,740,639
Other tangible assets	12	124,152	154,751	122,513	152,752
Intangible fixed assets	13	-	19,466	-	-
Investments	14	690	690	-	-
		<u>6,985,047</u>	<u>6,996,628</u>	<u>5,792,660</u>	<u>5,893,391</u>
Current assets					
Debtors	17	433,519	409,305	310,964	306,480
Cash at bank and in hand		<u>747,519</u>	<u>1,296,019</u>	<u>200,426</u>	<u>172,606</u>
		1,181,038	1,705,324	511,390	479,086
Liabilities					
Creditors: amounts falling due within 1 year	18	<u>(728,403)</u>	<u>(720,918)</u>	<u>(1,146,944)</u>	<u>(600,268)</u>
Net current assets / (liabilities)		<u>452,635</u>	<u>984,406</u>	<u>(635,554)</u>	<u>(121,182)</u>
Total assets less current liabilities		7,437,682	7,981,034	5,157,106	5,772,209
Creditors: amounts falling due after more than 1 year	20	<u>(4,389,828)</u>	<u>(4,489,108)</u>	<u>(3,673,807)</u>	<u>(3,750,110)</u>
Defined benefit pension provision	23	<u>(93,194)</u>	<u>(137,121)</u>	<u>(74,421)</u>	<u>(109,499)</u>
Net assets		<u><u>2,954,660</u></u>	<u><u>3,354,805</u></u>	<u><u>1,408,878</u></u>	<u><u>1,912,600</u></u>
Reserves					
Restricted reserve	22	23,212	-	23,212	-
Income and expenditure reserve		<u>2,931,448</u>	<u>3,354,805</u>	<u>1,385,666</u>	<u>1,912,600</u>
Total reserves		<u><u>2,954,660</u></u>	<u><u>3,354,805</u></u>	<u><u>1,408,878</u></u>	<u><u>1,912,600</u></u>

Approved by the board on 26 September 2025 and signed on its behalf by



Lindsay Sartori - chair and board member



Michael Sermon - board member

Worcestershire YMCA Limited

Consolidated statement of changes in reserves

As at 31 March 2025

	Restricted reserve	Income and expenditure reserve	Total
	£	£	£
Balance at 31 March 2023	-	4,117,593	4,117,593
Deficit from statement of comprehensive income	-	(762,788)	(762,788)
Balance at 31 March 2024	-	3,354,805	3,354,805
Deficit from statement of comprehensive income	-	(400,145)	(400,145)
Transfer between reserves	23,212	(23,212)	-
Balance at 31 March 2025	23,212	2,931,448	2,954,660

Worcestershire YMCA Limited

Consolidated statement of cash flows

For the year ended 31 March 2025

	2025	2024
	£	£
Cash used in operating activities:		
Total comprehensive income	(400,145)	(762,788)
Adjustments for:		
Depreciation charges	138,678	133,992
Amortisation charges	19,466	209,236
Loan interest paid	103,197	130,938
Interest received	(24)	-
Loss on the disposal of fixed assets	257	7
Increase in debtors	(24,214)	(37,097)
Decrease in creditors	(91,795)	(125,793)
Decrease in provision	(43,927)	(226,071)
Net cash used in operating activities	<u>(298,507)</u>	<u>(677,576)</u>
Cash flows from investing activities:		
Proceeds from sale of fixed assets	14,738	-
Purchase of tangible fixed assets	(161,558)	(52,939)
Interest received	24	-
Net cash used in investing activities	<u>(146,796)</u>	<u>(52,939)</u>
Cash flows from financing activities:		
Loan interest paid	(103,197)	(130,938)
Net cash used in financing activities	<u>(103,197)</u>	<u>(130,938)</u>
Decrease in cash and cash equivalents in the year	(548,500)	(861,453)
Cash and cash equivalents at the beginning of the year	<u>1,296,019</u>	<u>2,157,472</u>
Cash and cash equivalents at the end of the year	<u><u>747,519</u></u>	<u><u>1,296,019</u></u>

Analysis of net changes in debt are given in note 24.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies

a) Basis of preparation and general information

Worcester YMCA a charitable company limited by guarantee registered in England and Wales and private registered provider of social housing in the United Kingdom. The registered office address is Gordon Anstis House, Loxley Close, Redditch, B98 9JS. The nature of the association's operations and activities are detailed in the Board Report.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

Worcestershire YMCA Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the association and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the association and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the association's balance sheet. A separate statement of financial activities, or income and expenditure account, for the association itself is not presented because the association has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the association is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the association's ability to continue as a going concern.

d) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes England and income from community services.

Government grants received towards housing properties and other capital projects are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

d) Turnover and other income (continued)

Government and other grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

Income from other income streams is recognised when the association has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received in advance of provision of a specified service or the period to which it relates, is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the association has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the association of the item, is probable and the economic benefit can be measured reliably. In accordance with principles the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the association which is the amount the association would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the association: this is normally upon notification of the interest paid or payable by the bank.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

h) Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Housing properties

Major components of housing properties are depreciated at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land	Not depreciated
Main fabric	100 years
Roof structure and covering	35 years
Windows and external doors	20 years
Mechanical	30 years
Electrical	30 years

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

Other fixed assets

Freehold buildings	10 - 50 years
Assets under construction	Not depreciated
Fixtures	15% straight line
Motor vehicles	25% straight line
Computer equipment	20% straight line
Other equipment	10% straight line

Items of equipment are capitalised where the purchase price exceeds £1,000. No depreciation is charged on assets under construction.

i) Intangible fixed assets

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an assets may not be fully recoverable. Amortisation is provided at the following rates:

Goodwill	5 years straight line
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j) Investments in subsidiaries

The association has a wholly owned subsidiary, Worcester YMCA, which is a charitable company, registered company number 05056873 and registered charity number 1102766.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

j) Investments in subsidiaries (continued)

Worcester YMCA has two wholly owned subsidiaries, Little Treasures Limited, registered company number 04029930 and First Class Nursery (Kidderminster) Limited, registered company number 08887253. The subsidiaries of Worcester YMCA are used for non-primary purpose trading activities.

The subsidiary undertakings are valued at cost less any cumulative impairment losses in the charitable company's accounts.

k) Listed investments

Listed investments traded on a recognised stock exchange are stated at fair value at the reporting date, which is deemed to be their market value. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Provisions

A provision is recognised in the balance sheet when the association has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

p) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

q) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities as they fall due.

r) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

s) Defined benefit pension scheme

Worcestershire YMCA and its subsidiary Worcester YMCA participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcestershire YMCA or Worcester YMCA.

As described in note 23 Worcestershire YMCA and Worcester YMCA have a contractual obligation to make pension deficit payments of £38,224 pa and £9,642 pa respectively over the period to April 2027 (2024: £38,224 pa and £9,642 pa to April 2027 respectively), accordingly this is shown as a liability in these accounts. In addition, Worcestershire YMCA and Worcester YMCA are required to contribute £12,183 pa and £2,968 pa (2024: £12,183 and £3,073) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

t) Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate.

u) Accounting estimates and key judgements

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation, amortisation and defined benefit pension provision as described in note 1(h), 1(i) and 1(s) above.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

2. Turnover

	2025	2024
	Total	Total
	£	£
Income from:		
Housing	2,018,283	1,905,434
Donations and grants	278,103	105,263
Community activities	684,206	759,602
Other trading activities	1,580,178	1,175,151
Total	4,560,770	3,945,450

3. Social housing income and expenditure

	2025	Restated 2024
	Total	Total
	£	£
Rents receivable excluding service charges	1,027,092	946,864
Service charges receivable	984,301	953,785
Capital grants	31,973	31,973
Social housing operating costs	(1,434,238)	(1,603,096)
Operating surplus from housing activities	609,128	329,526
Memo:		
Void losses	105,751	120,619
Amortised government grants	31,973	31,973

During the year the Association has re-assessed which costs it considers form part of social housing operating costs, and updated the basis to more accurately reflect the total costs to the Association. The prior year figure has also been restated so it includes costs on a consistent basis to the current year.

4. Accommodation owned and managed

	2025	2024
	Total	Total
	Units	Units
Total units under management	207	211
Supported accommodation	80	84
General needs housing	127	127
Total owned and managed	207	211

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

5. Operating expenditure

	Cost of nursery subsidiaries £	Other charitable costs £	2025 Total £
Staff costs (note 8)	1,074,607	1,947,536	3,022,143
Other staff costs	8,730	201,441	210,171
Premises costs	-	520,535	520,535
Vehicle costs	-	25,457	25,457
Other direct costs	90,494	100,016	190,510
Office expenses	64,417	252,377	316,794
Penalties	3,000	3,000	6,000
Repairs and maintenance	39,722	114,133	153,855
Depreciation and amortisation	12,740	145,404	158,144
Loss on disposal of fixed assets	-	257	257
Audit and accountancy fees	23,844	37,320	61,164
Pension deficit	-	13,934	13,934
Bad debt provision movement	52	187,795	187,847
VAT provision release	-	(13,622)	(13,622)
Total operating expenditure	<u>1,317,606</u>	<u>3,535,583</u>	<u>4,853,189</u>

Prior period comparative:

	Cost of nursery subsidiaries £	Other charitable costs £	2024 Total £
Staff costs (note 8)	881,002	1,711,241	2,592,243
Other staff costs	20,387	227,468	247,855
Premises costs	-	755,970	755,970
Vehicle costs	-	28,711	28,711
Other direct costs	78,796	119,517	198,313
Office expenses	55,028	241,064	296,092
Repairs and maintenance	18,499	164,916	183,415
Depreciation and amortisation	22,427	320,802	343,229
Audit and accountancy fees	16,200	26,470	42,670
Pension deficit	-	(147,920)	(147,920)
Bad debt provision movement	63	37,060	37,123
Total operating expenditure	<u>1,092,402</u>	<u>3,485,299</u>	<u>4,577,701</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

6. Interest and financial costs

	2025	2024
	Total	Total
	£	£
Loan interest payable	<u>103,197</u>	<u>130,938</u>
	<u>103,197</u>	<u>130,938</u>

7. Operating surplus / (deficit)

This is stated after charging:

	2025	2024
	£	£
Depreciation	138,678	133,992
Amortisation	19,466	209,236
Loss on disposal of fixed assets	257	-
Operating lease payments	177,424	174,359
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	-	-
Auditors' remuneration (excluding VAT):		
▪ Statutory audit	37,500	35,000
▪ Other services	700	700
▪ Prior year under accrual	12,770	-
	<u>12,770</u>	<u>-</u>

8. Staff costs and numbers

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	2,694,389	2,342,477
Social security costs	239,116	167,486
Pension costs	88,638	82,280
	<u>3,022,143</u>	<u>2,592,243</u>

Included in salaries and wages are redundancy and termination costs totalling £75,685 (2024: £3,710) comprising £51,737 redundancy costs and £23,948 lieu of notice payments (2024: £3,710 redundancy costs).

The number of higher paid employees was:

	2025	2024
	No.	No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

8. Staff costs and numbers (continued)

	2025	2024
	No.	No.
Average number of employees (actual)	<u>130</u>	<u>128</u>

9. Board and key management personnel remuneration

The key management personnel of the association comprise the directors, Chief Executive Officer, and other key management personnel. The total employee benefits of the key management personnel were £325,964 (2024: £308,472).

The emoluments of the highest paid director (including the Chief Executive Officer), included above was:

	2025	2024
	£	£
Aggregate emoluments (excluding pension contributions)	76,267	73,253
Contributions to money purchase pension plan	<u>7,045</u>	<u>7,045</u>
	<u>83,312</u>	<u>80,298</u>

The Chief Executive is an ordinary member of the YMCA pension scheme and has an enhanced payment of 11% contribution paid. The Chief Executive participates in the YMCA contributory pension scheme.

10. Taxation

The association and its subsidiary, as charitable companies, are exempt from corporation tax as all their income is charitable and is applied for charitable purposes. The subsidiary companies of Worcester YMCA, distribute any profits to the Worcester YMCA and therefore ordinarily no corporation tax is payable. During the current year one of the subsidiaries of Worcester YMCA, First Class Nursery (Kidderminster) Limited incurred a tax charge of £4,553 (2024: £400 tax credit).

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

11. Tangible fixed assets - housing properties and other land and buildings

Group

	Knowle Close £	Gordon Anstis House £	Bengrove Close £	Frederick Eary House £	Stanley Road £	Little Treasures £	First Class £	Total £
Cost or valuation								
At 1 April 2024	2,359,506	3,708,949	32,738	534,384	585,000	665,242	1,557	7,887,376
Additions	-	-	-	-	-	139,640	-	139,640
At 31 March 2025	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>585,000</u>	<u>804,882</u>	<u>1,557</u>	<u>8,027,016</u>
Depreciation								
At 1 April 2024	307,061	459,686	5,230	122,961	102,375	67,338	1,004	1,065,655
Charge for the year	24,404	40,502	319	5,267	18,281	12,227	156	101,156
At 31 March 2025	<u>331,465</u>	<u>500,188</u>	<u>5,549</u>	<u>128,228</u>	<u>120,656</u>	<u>79,565</u>	<u>1,160</u>	<u>1,166,811</u>
Net book value								
At 31 March 2025	<u>2,028,041</u>	<u>3,208,761</u>	<u>27,189</u>	<u>406,156</u>	<u>464,344</u>	<u>725,317</u>	<u>397</u>	<u>6,860,205</u>
At 31 March 2024	<u>2,052,445</u>	<u>3,249,263</u>	<u>27,508</u>	<u>411,423</u>	<u>482,625</u>	<u>597,904</u>	<u>553</u>	<u>6,821,721</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

11. Tangible fixed assets - housing properties and other land and buildings (continued)

Association

	Knowle Close £	Gordon Anstis House £	Bengrove Close £	Frederick Eary House £	Total £
Cost or valuation					
At 1 April 2024	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>6,635,577</u>
At 31 March 2025	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>6,635,577</u>
Depreciation					
At 1 April 2024	307,061	459,686	5,230	122,961	894,938
Charge for the year	<u>24,404</u>	<u>40,502</u>	<u>319</u>	<u>5,267</u>	<u>70,492</u>
At 31 March 2025	<u>331,465</u>	<u>500,188</u>	<u>5,549</u>	<u>128,228</u>	<u>965,430</u>
Net book value					
At 31 March 2025	<u>2,028,041</u>	<u>3,208,761</u>	<u>27,189</u>	<u>406,156</u>	<u>5,670,147</u>
At 31 March 2024	<u>2,052,445</u>	<u>3,249,263</u>	<u>27,508</u>	<u>411,423</u>	<u>5,740,639</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

12. Other tangible fixed assets

Group

	Motor vehicles £	Computer Equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2024	34,006	58,395	99,580	327,267	519,248
Additions in year	-	21,918	-	-	21,918
Disposals	(23,218)	-	(84,601)	-	(107,819)
At 31 March 2025	<u>10,788</u>	<u>80,313</u>	<u>14,979</u>	<u>327,267</u>	<u>433,347</u>
Depreciation					
At 1 April 2024	14,658	32,542	99,580	217,717	364,497
Charge for the year	4,353	12,224	-	20,945	37,522
Disposals	(8,223)	-	(84,601)	-	(92,824)
At 31 March 2025	<u>10,788</u>	<u>44,766</u>	<u>14,979</u>	<u>238,662</u>	<u>309,195</u>
Net book value					
At 31 March 2025	<u>-</u>	<u>35,547</u>	<u>-</u>	<u>88,605</u>	<u>124,152</u>
At 31 March 2024	<u>19,348</u>	<u>25,853</u>	<u>-</u>	<u>109,550</u>	<u>154,751</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

12. Other tangible fixed assets (continued)

Association

	Motor vehicles £	Computer Equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2024	23,218	52,797	89,764	255,698	421,477
Additions in year	-	21,922	-	-	21,922
Disposals	<u>(23,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,218)</u>
At 31 March 2025	<u>-</u>	<u>74,719</u>	<u>89,764</u>	<u>255,698</u>	<u>420,181</u>
Depreciation					
At 1 April 2024	3,870	26,586	89,764	148,505	268,725
Charge for the year	4,353	12,224	-	20,589	37,166
Disposals	<u>(8,223)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,223)</u>
At 31 March 2025	<u>-</u>	<u>38,810</u>	<u>89,764</u>	<u>169,094</u>	<u>297,668</u>
Net book value					
At 31 March 2025	<u>-</u>	<u>35,909</u>	<u>-</u>	<u>86,604</u>	<u>122,513</u>
At 31 March 2024	<u>19,348</u>	<u>26,211</u>	<u>-</u>	<u>107,193</u>	<u>152,752</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

**13. Intangible assets
Group only**

	Goodwill £	Total £
Cost		
At 1 April 2024	<u>1,087,428</u>	<u>1,087,428</u>
At 31 March 2025	<u>1,087,428</u>	<u>1,087,428</u>
Amortisation		
At 1 April 2024	1,067,962	1,067,962
Charge for the year	<u>19,466</u>	<u>19,466</u>
At 31 March 2025	<u>1,087,428</u>	<u>1,087,428</u>
Net book value At 31 March 2025	<u>-</u>	<u>-</u>
At 31 March 2024	<u>19,466</u>	<u>19,466</u>

14. Investments

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Market value at 1 April 2024	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>
Market value at 31 March 2025	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>

15. Subsidiary undertakings

Worcester YMCA

The parent association wholly controls the charitable company Worcester YMCA, registered in England and Wales (charity number 1102766, company number 05056873). Worcestershire YMCA exercises control over Worcester YMCA as the sole member of the charity, giving it the powers to appoint and remove trustees. Worcester YMCA in turn wholly controls Little Treasures Limited (company number 04029930) and First Class Nurseries (Kidderminster) Limited (company number 08887253), both of which are incorporated in England and Wales.

	2025	2024
	£	£
Total consolidated income	1,629,729	1,256,560
Total consolidated expenditure	<u>(1,525,819)</u>	<u>(1,501,689)</u>
Net income / (expenditure) and net movement in funds	<u>103,910</u>	<u>(245,129)</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

15. Subsidiary undertakings (continued)

Worcester YMCA

The aggregate of the assets, liabilities and funds was:

	2025	2024
	£	£
Assets	2,609,997	2,464,695
Liabilities	(1,063,880)	(1,022,488)
Funds	<u>1,546,117</u>	<u>1,442,207</u>

16. Parent association

The parent association's gross income and the results for the year are disclosed as follows:

	2025	2024
	£	£
Gross income	2,931,065	2,778,248
Results for the year	<u>(503,722)</u>	<u>(517,657)</u>

17. Debtors

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors (gross social housing rent arrears)	286,426	669,095	260,719	630,033
Less: provision for doubtful debts	<u>(90,147)</u>	<u>(470,535)</u>	<u>(77,780)</u>	<u>(433,288)</u>
	196,279	198,560	182,939	196,745
Other debtors	151,528	102,080	51,953	1,070
Prepayments and accrued income	<u>85,712</u>	<u>108,665</u>	<u>76,072</u>	<u>108,665</u>
	<u>433,519</u>	<u>409,305</u>	<u>310,964</u>	<u>306,480</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

18. Creditors : amounts due within 1 year

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts	68,942	63,907	42,530	37,718
Other taxation and social security	50,446	69,829	34,077	37,236
Trade creditors	227,022	172,284	137,056	160,454
Other creditors	30,265	48,060	26,414	38,326
Government grant creditor	31,973	31,973	31,973	31,973
Owed to group undertakings	-	-	747,962	135,218
Accruals and deferred income	315,202	334,865	126,932	159,343
Corporation tax	4,553	-	-	-
	<u>728,403</u>	<u>720,918</u>	<u>1,146,944</u>	<u>600,268</u>

Included within other creditors are pension creditors of £22,356 (2024: £24,582) for the group and £10,519 (2024: £19,053) for the association.

19. Deferred income

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
At 1 April 2024	157,907	178,612	46,184	88,716
Deferred during the year	151,974	157,907	39,428	46,184
Released during the year	(157,907)	(178,612)	(46,184)	(88,716)
At 31 March 2025	<u>151,974</u>	<u>157,907</u>	<u>39,428</u>	<u>46,184</u>

Deferred income relates to income received in advance related to the subsequent period.

20. Creditors: amounts falling due after more than one year

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Government grant creditor	2,813,612	2,845,584	2,813,612	2,845,584
Bank loans	1,576,216	1,643,524	860,195	904,526
	<u>4,389,828</u>	<u>4,489,108</u>	<u>3,673,807</u>	<u>3,750,110</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

20. Creditors: amounts falling due after more than one year (continued)

Analysis of loan debt maturity Debt due after more than one year:	The group		The association	
	2025 £	2024 £	2025 £	2024 £
Within one to two years	69,644	62,267	45,289	40,556
Within two to five years	236,773	214,632	154,317	140,159
In more than 5 years	1,269,799	1,366,625	660,589	723,811
	<u>1,576,216</u>	<u>1,643,524</u>	<u>860,195</u>	<u>904,526</u>

At association level there are two secured bank loans, one with with Unity Bank and one with BCM Global. Interest is charged at commercial rates. Interest is charged at 2.5% above Bank of England base rate on the Unity Bank loan, and the loan is repayable over 25 years. Interest is charged at 9.5% on the BCM Global loan and the loan is repayable over 33 years. The loans are secured against three of the association's properties, Gordon Anstis House, Loxley Close, Redditch, B98 9JS, Frederick Eary House, Studley Road, Redditch, B98 7XA and Knowle Close, Church Hill, Redditch, B98 9JW.

At a group level there are also two secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR and at Broomhall Grange, Norton Road, Broomhall, WR5 2PD. The loans from Unity Bank are charged at commercial rates of 1.5% above Bank of England base rate and are repayable over 25 years. The loans are secured with fixed charges over the assets of the Worcester YMCA and its subsidiary, Little Treasures Limited.

At both 31 March 2025 and 31 March 2024, Worcestershire YMCA had failed to meet its financial covenant under the Unity Trust loan in respect of the EBITDA measure. Based on communications and discussions with the bank there was no indication from the bank that any action, beyond a reservation of rights letter would take place. The carrying amount of this loan in breach was £665,160 at 31 March 2025 and £701,453 at 31 March 2024.

21. Group analysis of net assets between reserves

	Restricted reserve £	Income and expenditure reserve £	Total reserves £
Tangible fixed assets	-	6,984,357	6,984,357
Investments	-	690	690
Current assets	23,212	1,157,826	1,181,038
Current liabilities	-	(728,403)	(728,403)
Creditors due in more than 1 year	-	(4,389,828)	(4,389,828)
Defined benefit pension provision	-	(93,194)	(93,194)
Net assets at 31 March 2025	<u>23,212</u>	<u>2,931,448</u>	<u>2,954,660</u>

In the prior year all assets and liabilities were allocated to the income and expenditure reserve.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

22. Group reserves

As noted in the accounting policies, revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate. Details below are included on the movement in restricted reserves during the year.

	At 1 April 2024 £	Income £	Expenditure £	Gains and losses £	Transfers between funds £	At 31 March 2025 £
Restricted reserves						
Children and Youth Services	-	221,300	(198,088)	-	-	23,212
Supporting People	-	145,686	(145,686)	-	-	-
Prison Contract - HMP Hewell	-	60,250	(74,134)	-	13,884	-
Total restricted reserves	-	427,236	(417,908)	-	13,884	23,212
Income and expenditure reserve	3,354,805	4,133,558	(4,543,031)		(13,884)	2,931,448
Total reserves	3,354,805	4,560,794	(4,960,939)	-	-	2,954,660

Transfers

Transfers have been accounted for in the year account for overspends on restricted projects or restricted expenditure being incurred in advance of funding being received.

Reserve descriptions

Children and Youth Services

Provision of positive activities for young people in Redditch and Bromsgrove.

National Citizen Service

Provision of social action training for young people aged 16 & 17 years.

Supporting People

Provision of support for vulnerable homeless young people.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

22. Group reserves (continued)

Reserve descriptions (continued)

Prison Contract - HMP Hewell

Providing childcare and family support to prisoners and their families, encouraging sustained involvement whilst fathers are in prison.

BBO Job Coach

Provision of support for economically inactive and unemployed person aged 16+.

Income and expenditure reserve

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

Prior year comparative

	At 1 April 2023 £	Income £	Expenditure £	Gains and losses £	Transfers between funds £	At 31 March 2024 £
Restricted reserves						
Children and Youth Services	-	170,042	(177,718)	-	7,676	-
National Citizen Service	-	1,440	(1,440)	-	-	-
Supporting People	-	134,937	(175,235)	-	40,298	-
Prison Contract - HMP Hewell	-	104,499	(121,266)	-	16,767	-
Total restricted reserves	-	410,918	(475,659)	-	64,741	-
Income and expenditure reserve	4,117,593	3,534,533	(4,232,580)		(64,741)	3,354,805
Total reserves	4,117,593	3,945,451	(4,708,239)	-	-	3,354,805

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

23. Provisions for liabilities: defined benefit pension scheme deficit contribution liability

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Present value of provision	93,194	137,121	74,421	109,499

Reconciliation of opening and closing provisions

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Provision at the start of the year	137,121	363,192	109,499	291,176
Deficit contributions paid	(43,974)	(63,183)	(35,038)	(50,655)
Unwinding of the discount factor (interest expense)	4,564	17,433	3,648	13,976
Impact of change in the rate of discount	(4,517)	-	(3,688)	-
Impact of reduction to repayment period	-	(180,321)	-	(144,998)
Provision at the end of the year	93,194	137,121	74,421	109,499

Assumptions

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Rate of discount	5.60%	4.80%	5.60%	4.80%

The discount rates shown above are the equivalent single discount rates which, when used to discount future recovery plan contributions due, would give the same results as using the pwc pension accounting trends median figure to discount the same recovery plan contributions.

Worcestershire YMCA and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcester YMCA and at the year end these were invested in the Mercer Dynamic De-risking Solution, 65% matching portfolio and 35% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2023. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets of 4.56%, the increase in pensions in payment of 3.18% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24.0 years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.1m, which represented 92% of the benefits that had accrued to members.

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Notes to the financial statements

For the year ended 31 March 2025

23. Provisions for liabilities: defined benefit pension scheme deficit contribution liability

The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits all employed deferred members became deferred members as from 1 May 2011.

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. Worcestershire YMCA and Worcester YMCA have been advised that they will need to make annual contributions of £38,224 and £9,642 respectively from 1 May 2024. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 5.6% (2023: 4.8%). The current recovery period is 3 years commencing 1 May 2024.

24. Analysis of changes in net debt Group

	At 1 April 2024	Cash flows	At 31 March 2025
Cash	1,296,019	(548,500)	747,519
Loans falling due within 1 year	(63,907)	(5,035)	(68,942)
Loans falling due after 1 year	<u>(1,643,524)</u>	<u>67,308</u>	<u>(1,576,216)</u>
	<u>(411,412)</u>	<u>(486,227)</u>	<u>(897,639)</u>

25. Financial instruments at fair value

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Financial assets measured at fair value	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value comprise listed investments.

26. Contingent liabilities

The Social Housing Grants are repayable under certain circumstances (for example the sale of properties).

As detailed in note 23 above, Worcestershire YMCA Limited and Worcester YMCA may incur liabilities in the event of the non-payment by other participating YMCA's of their share of the YMCA Pension Plan's current deficit. The method of allocation of the deficit has not yet been finalised and the future ability of other participating YMCA employers to meet their obligations cannot presently be determined. No provision for any liability that may arise has been made in these financial statements.

Worcestershire YMCA Limited

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For the year ended 31 March 2025

27. Operating lease commitments

The group and association had operating leases at the year end with total future minimum lease payments as follows:

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Amount falling due:				
Within 1 year	99,589	99,588	91,589	91,589
Within 1 - 5 years	85,264	87,015	53,264	55,015
Over 5 years	259,333	279,336	102,000	114,003
	444,186	465,939	246,853	260,607

28. Related party transactions

The association has a wholly owned subsidiary undertaking called Worcester YMCA, a registered charity (number: 1102766) and company limited by guarantee (number: 05056873). Copies of the Worcester YMCA group consolidated financial statements are available from the Charity Commission. The balance owing to the Worcester YMCA at 31 March 2025 was £747,962 (2024: £163,796). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA has a wholly owned subsidiary undertaking called Little Treasures Limited, a registered company in England and Wales (number: 04029930). Worcestershire YMCA has a 100% controlling interest in Worcester YMCA resulting in Worcestershire YMCA having a controlling interest in the company. Little Treasures Limited gifts available taxable profits to Worcester YMCA. The balance owing to Little Treasures Limited at 31 March 2025 was £26,682 (2024: £28,728). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA has a wholly owned subsidiary undertaking called First Class Nursery (Kidderminster) Limited, a registered company in England and Wales (number: 08887253). Worcestershire YMCA has a 100% controlling interest in Worcester YMCA resulting in Worcestershire YMCA having a controlling interest in the company. First Class Nursery (Kidderminster) Limited gifts available taxable profits to Worcester YMCA. The balance owing to the First Class Nursery (Kidderminster) Limited at 31 March 2025 was £536,105 (2024: to the charity £57,306). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

All of the charitable company's trustees are also trustees of Worcester YMCA.

29. Ultimate controlling party

Worcestershire YMCA Limited is controlled by its Board of Trustees.