

# **YMCA WORCESTERSHIRE**

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**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**Our vision is of transforming communities so that all young  
people truly belong, contribute and thrive**

**WORCESTERSHIRE YMCA LIMITED**

**REPORT OF THE BOARD**

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## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2020.

#### **Reference and administration information**

Charity Name	Worcestershire YMCA Limited
Charity Registration Number	516872
Company Registration Number	01944516
Registered Social Landlord Number	LH3687

#### **Key Management Personnel**

Company Secretary and Chief Executive	Duncan Berry
Head of Children and Families	Geoff Taylor-Smith
Head of Adults and Communities	Alan Moorhouse
Head of Human Resources	Allison Dunsmore
Head of Finance	Jo Watkin
Development Manager	Charlotte Steventon
Christian Spiritual Development Coordinator	James Williams

#### **Board**

The Board is composed of the following individuals:

Mike Higley	(Chair)
Simon Hill	
Jacintha Hodgson	
Dr Juliet Horne	
Philip Simpson	
Diana Drew	

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

The president of the Association is the Right Reverend the Bishop of Worcester, John Inge.

**Registered Office**  
**Gordon Anstis House**  
Loxley Close  
Redditch  
Worcestershire  
B98 9JS

**Auditors**  
**Cooper Parry**  
**Group Limited**  
Park View  
One Central  
Boulevard  
Blythe Valley  
Business Park  
Solihull B90 8BG

**Bankers**  
**Unity Trust Bank plc**  
Four Brindleyplace  
Birmingham  
B1 2JB

**Solicitors**  
**mfg Solicitors LLP**  
Adam House  
Birmingham Road  
Kidderminster  
Worcestershire  
DY10 2SH

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

#### **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 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, which were reviewed by the Board in 2013.

#### **Organisational structure**

The Association is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets and accounts, and who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold five meetings per annum to consider business and progress against agreed plans plus hold strategic discussions to consider future work and direction. On appointment, trustees receive induction including Charities Commission Information. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs in England.

The Association is the sole member of Worcester YMCA a charitable company limited by guarantee. As sole member the Association is required to contribute up to a maximum of £1, should there be a deficiency on winding up Worcester YMCA. Worcester YMCA is not regulated by The Regulator of Social Housing (RSH).

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Head of Children and Families, Head of Adult and Communities, Head of Human Resources, Head of Finance, Development Manager and the Christian Spiritual Development Coordinator. The Chief Executive attends Board meetings and members of the senior management team are invited where appropriate to encourage wider contact between directors and staff. In setting the salaries of the senior management team the Board considers benchmark information from other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the volunteer Board is integral to the structure and is part of our engagement process.

#### **Recruitment and appointment to the Board**

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected from the Members of the Association at the Annual General Meeting. Membership of Worcestershire YMCA Limited is open to men and women.

All Board members acknowledge their Christian faith, no other person or body external to the Association is entitled to appoint board members.

Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

It is the aim of the board members to have the Board made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The Board seeks to recruit new members accordingly. Potential board members are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved. The perspectives, experience and skills of individual board members are considered to ensure a balance across the Board. Board members are initially co-opted to the Board until the following Annual General Meeting.

#### **Board member Induction and training**

As part of their Induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement, including the YMCA Code of Governance. Background information relating to the Association including copies of the articles of association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedule five meetings per annum for ordinary business plus meetings to consider the work of the Association and future direction.

As part of the YMCA Movement, Board members have access to its board development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values

#### **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 has made reference to the Governance and Financial Viability Standard.

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

#### **Statement of Board responsibilities**

The Board is responsible for preparing the Report of the Board, including the strategic report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 RSL SORP and the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 Association will continue in business.

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to 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 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Provision of information to auditors**

We, the board members of the Association who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Association's auditors are unaware; and
- we have taken all the steps that we ought to have taken as board members to make ourselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

#### **Corporate Governance – internal financial control**

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management, internal audit and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports. The Board confirms that there have been no regulatory concerns that have led the RSH to intervene, nor any significant failures of internal controls that require disclosure in the financial statements.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Strategic Report

#### Risk management

The Association maintains a risk register covering 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.

The board categorises risk into five main headings: Governance, Operational, Financial, Environmental or external and Compliance. The key risk in each heading is identified below:

<b>Risk</b>	<b>Mitigation and further action to be taken</b>
Governance - loss of key staff	Trustees continue to act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly.
Operational - project / service development	The organisation has adopted models to demonstrate how and why new and existing projects are in line with charitable objects and to better define and communicate our activities. To continue to enhance development of new plans in line with objects. Further action: review operational strategy and accelerate implementation. Develop future plans for childcare provision in Worcestershire.
Financial - dependency on limited income sources	Major dependencies on supported housing, enhanced housing management and local government funding. Strategic plans aim to change the mix of income and the provision of services that are less dependent on Government policy. Specific opportunities identified. Acquisition of a trading subsidiary has diversified income. Further action: Reassess opportunities identified and monitor success of diversification plans and organisational capability to ensure they match future requirements.
Environmental or external factors - changing government policy	Networking and lobbying to minimize adverse policy changes and their effects. Regular market scanning. Members of YMCA policy groups and relevant local groups. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Compliance - diversification of activities	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify and monitor the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.

#### COVID19

At the date of signing these financial statements, the trustees have considered the effect on the group with the information available to it, and do not believe it will affect the group's ability to continue to operate for the foreseeable future. As with most organisations there will be short term practical difficulties which we have addressed and are managing by remote working, online youth sessions and we have continued to provide accommodation and childcare provision. Also, like many organisations we continue to utilise government support schemes; including both the Furlough scheme and the Small Business Grant Fund and The Coronavirus Retail, Hospitality and Leisure Grant Fund for the community centres to assist the group in actively managing its finances. However, due to the level of reserves and cash balances held and security of some of our income streams, we are well placed to continue operating. See accounting policy titled Going Concern for further details.



## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

#### **Financial Review**

##### **Reserves**

The Board considers there are sufficient assets to meet obligations as they arise. Net current assets are £1,399,504 (2019: £1,689,060). The overall funds of the Group have reduced as a consequence of a deficit arising from operational costs increasing despite a reduction in income.

The Association does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles prevent the distribution of reserves, which are instead applied to further the aims and objectives including the provision of social housing.

The Association has an asset management plan anticipating major maintenance to buildings and likely costs over the next 25 years. Long term maintenance and improvements needed in the housing stock under that plan are reviewed by the Board. Cyclical maintenance and improvements to maintain the standards of our own accommodation stock of 194 properties was carried out in accordance with our asset management plan.

The Board has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure (£243,097) to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

Free reserves are traditionally calculated as Net Assets (£4,181,746) less Restricted funds (£nil), less fixed assets (£4,512,618), which amount to (£330,872). However, the nature of the Association's as a Registered Provider means adjustment should be made for liabilities which are secured against the housing properties in fixed assets (£1,955,866). By that calculation, the adjusted free reserves are £1,624,994.

The Trustees also note that a high proportion of staff costs are directly attributable to specific contracts and are therefore variable in nature.

##### **Employment of disabled persons**

The Association operates an equal opportunities employment policy and is committed to be a Disability Confident employer.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation.

The Association's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- provide or assist 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;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in their faith and in their life, and to associate their efforts for the extension of His Kingdom.

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.

#### Strategy

The key elements of our medium to long-term strategy were:

Build on the strength of our Early Years and families presence across the County; past experience with children's centres; existing provision and partnership working. We will work in partnership with others to improve health of mothers, their babies and families, make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.

Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

The strategic plan for the medium and short term ensures that the objects of the Association are pursued and thereby its purpose fulfilled, within the framework established by the Board. The Board retain the right of veto, offer an additional perspective as non-executives and provide a check and balance for the plan before its approval by them. The strategic framework and these plans together form the business plan. This year First Class Nursery was acquired by Worcester YMCA which has supported this priority.

As indicated last year, a broader spread of income generation continues to be a priority for long term sustainability whilst remaining responsive to commissioning opportunities that arise from social policy as the public sector remains a large market. In addition, the plan is customer focused taking account of current capacity and capability rather than putting our capabilities first. We have adopted models to demonstrate how and why new and existing projects are in line with charitable objects and to better define and communicate our activities.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms. We are organised into three areas of work.

Progress is reported and variances explained to Board throughout the year. An annual review is conducted by the board and senior management and an Annual General Meeting is also held and a report presented by the board and senior management to members.

During the year there are periodic reviews conducted with partner organisations including commissioning bodies.

#### Review of activities

Working from our own accommodation units, community centres, schools and prison, we provide preschool nurseries, play workers in prison, schools work, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

The three most significant charitable activities contributing to the achievement of our objectives in the year were:

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

During the year, income from the Association's own activities increased to £2,902,254 (2019: £2,659,159) and the effect of the addition of Worcester YMCA generated a consolidated income of £4,182,102 (2019: £4,439,756) 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, rent reduction, uncertainty over any future supported housing model and the need to ensure a more commercial approach to some areas of delivery.

Further analysis of the income and expenditure on operations can be found in notes 3 to 9 to the financial statements.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

**Strategy: Build on the strength of our Early Years and families presence across the County, existing work with older children and partnership working. We will work in partnership with others to improve health of mothers and their babies and work with older children and their families to make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.**

Following the acquisition of First Class Nursery by Worcester YMCA, we have five nursery settings within Worcestershire, one setting in Redditch, two settings in Kidderminster and two settings in Malvern. All five nursery settings maintain an OFSTED rating of 'Good'. One of the Kidderminster nurseries is based within Tree Tops Community Centre on the site of Birchen Coppice Primary School, the lease for the building extended until July 2020. Due to some uncertainty of the future of the Kidderminster nursery, we have now acquired First Class Nursery in Kidderminster. The acquisition of Little Treasures continues to enhance our provision across the group and contributed to the diversification of income sources.

A curriculum statement of Intent was developed this year which is a framework for setting out the aims of a programme of education, including the knowledge and skills to be gained at each stage; developing a framework over time into a structure and narrative. Our statement in line with the organisations objectives enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries aim to develop children's spiritual, social, moral and cultural understanding. It offers a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon a child's prior learning experience and have tailor-made them for the families that we support.

The YPLAY childcare provision based in Redditch and Malvern offers children 3-12 an out of school and holiday club. The attendance of children in Malvern has decreased over the year with increased competition in the local area. However, we have seen increased numbers of children using the nursery provision to counteract this decline.

The Howell Rainbow project which is funded by the National Lottery has been successful in its new bid and has secured funding until 2023. The project will continue to provide the children and family support from the prison, supporting fathers in prison and families to maintain contact throughout their sentence. The expansion of the project will focus on the hidden sentence training that will provide increased awareness around the impact on the child with a parent in prison.

YMCA Worcestershire continues to deliver the positive activities contract for youth clubs within Bromsgrove. The existing contract has been extended until March 2021. The youth clubs have seen an increase in attendance this year. We have worked closely with other organisations to tailor the sessions to the needs of the young people including sports coaches to support those struggling with anti-social behaviour.

The Bromsgrove Youth and Community Hub has continued to increase impact over the past year, providing a diverse offering within the community resulting in an increase in engagement with young people. The Hub provides weekly sessions including gaming, arts and crafts, music and a support group for LGBTQ+ community. Over the past 12 months over 4,000 young people have accessed the services provided by the Hub. Strategic partnerships have continued to support young people in the community including mental health counselling, church partnerships and health and social support.

We have been a delivery partner for The National Citizen Service (NCS) programme in Worcestershire for five years. We have been successful in the recommissioning of the new NCS contract this year. This change in contract has expanded YMCA's involvement of NCS which now includes end to end delivery. It is designed to equip students with evidence of personal achievement and life skills whilst providing opportunities for young people to make a difference and contribute to their local communities. This is facilitated, with the support of knowledgeable, enthused staff, supporting the young people to build and deliver a social action project that makes a real difference to the community organisations within their local area.

The Graduate ambassador programme continues to provide opportunities for young people once they have finished the NCS programme. Over the past 12 months graduate ambassadors have volunteered over 900 hours and continued to support the NCS recruitment process by advocating young people to take part in NCS. The graduate programme has also been a successful route to provide employment opportunities for young people to become Team Leaders and Support Workers on the NCS programme. We have also recruited an NCS Apprentice this year that has been part of the project coordination.

The summer sports camps provide a positive activity for children during the school holidays. The sports camps provide high quality sports coaches to deliver a programme of sports activities for children aged 3-15. This year has been a successful year with growing numbers in Redditch and expansion into the Bromsgrove district.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

**Strategy: Provide opportunities that prepare young adults, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.**

Building Better Opportunities is funded by the European Social Fund and The National Lottery Community Fund. From 2014 – 2020, £11m of European Social Funding (ESF) became available to invest in 'Social and Economic Inclusion' tackling the root causes of poverty, promoting social inclusion and driving local jobs and growth. The Worcestershire programmes developed to invest this money have been shaped by the Worcestershire Local Enterprise Partnership (LEP) according to local priorities.

YMCA Worcestershire has four Job Coaches increasing from two in the previous year. Focusing on Redditch and Bromsgrove the support is designed to move people closer to employment. The project has supported over 125 people in the past 12 months.

We continue to run three community centres in Worcestershire in Redditch, Malvern and Upton. The main purpose of the community centres is to provide facilities for the local community in order to run activities such as sports, counselling, health services and children and family support. The community centres are well used and vibrant spaces that encourage the local community to use the space and to shape it according to their needs. Willow Trees Community Centre has continued to develop partnerships in the local area and hosts two annual events that invite the community together in partnership with Church Hill Big Local.

In November 2019, YMCA ceased to occupy the property in Henwick Road and in the same month entered in to lease agreements on two rental properties in Worcester.

Key partnerships have been established with Wychavon and Worcester City pathway workers to provide housing surgeries that support young people to gain a deeper understanding of tenancy management. Further partners have been working with young people to encourage them into employment and training.

The Supporting People contract continues for residents aged 18-24 years on behalf of Worcestershire County Council. The support team provides on average, 678 (2019:650) hours to an average 41 (2019:47) residents each month. The personal development coaches aim to prepare those young people to live independently and empower and encourage them in preparation for independence. We have continued to provide, in partnership with Worcestershire County Council, intensive housing and support for young people aged between 16-23 and those leaving the care system. We are developing a new accommodation scheme that will launch next year called supported lodgings that will enable YMCA Worcestershire to increase their accommodation offer and provide young people with hosted accommodation.

Partnerships with local supermarkets and Fair Share continued during the year. This has enabled the organisation to prevent the amount of food waste locally and provide healthy and nutritious meals to service users.

This year we have increased our work with local churches, partnering with them to launch new youth projects in Kidderminster and Rubery. In addition, we have sought to increase the number of away days at MONOS, allowing a number of our residents to break from their normal routine, experience monastic life and consider the role that faith might play in their own circumstances.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

**Strategy: Sustain service (Continuous improvement in quality and value for money; Increase unrestricted funding and social enterprise; Diversify and maintain a balance between housing and other provision; Increase the use of appropriate volunteers; Increase the number of partners, including faith communities and the wider YMCA movement, with whom we unite; Diversify across each district; Increase participation).**

This year, efforts have been focused on national campaigns from YMCA England and Wales such as the Safe Space campaign for the government to reinvest in youth services. This was done through a combined effort of YMCA's nationally campaigning within their local area to increase awareness.

The national IAMWHOLE campaign again took place on World Mental Health Day. This year, it brought together a group of people that took part in WHOLEHOUR, focusing on improving mental health and increasing awareness.

This year First Class Nursery, a trading subsidiary was acquired.

We have continued to ensure data protection procedures are followed within the organisation. Following the closure of Henwick Road, all records have been disposed of in line with the disposal and retention procedure. The Data Protection Coordinator provides support to ensure procedures are regularly updated and followed.

Volunteering remains an important part of the organisation with relationships with local colleges and universities remaining strong. Volunteer numbers have decreased to 52 (2019: 75), although the number of volunteer hours has remained constant. This has had a positive impact on services as it has enabled a consistent presence within our services. We have extended our volunteer offer by providing four volunteer placements, for 12 months, to young people from abroad. These volunteers worked across all services and will stay within YMCA accommodation.

We have completed the youth engagement research that took views from young people locally in order to support the youth strategy for the future. This research has developed a number of recommendations that will inform the future strategy.

This year we have developed a Youth Leadership Programme. This seeks to empower young people and encourages them to take on leadership roles within the charity sector, including the launch of a youth board that will give insight to the Board of Trustees from a young person's perspective.

There has been a focus to improve the digital offer of YMCA with the launch of the new website. This has supported an increase in accessibility and awareness of YMCA Worcestershire's work and will increase the impact we have on the lives of young people.

The Christian Spiritual Development Coordinator continues to work with chaplains across the national movement of YMCA to support local YMCA's in developing Christian mission. Throughout COVID we have hosted a daily online prayer meeting for YMCAs across the world which has been well received globally.

Christian Spiritual Development incorporates a number of elements which work towards the development of our Christian mission at the YMCA. These include chaplaincy and pastoral care, church development projects and working alongside our existing provisions to incorporate Christian Spirituality into each area of service delivery. Over the past year YMCA has partnered with churches across the county to develop services for children and young people. We are also pleased to have continued our work through Unify, a UK mission conference connecting YMCA's who share a passion to understand and develop our Christian mission.

We continue to operate a relief fund to encourage the uptake of work by residents through offsetting some of the cost of rent where the individual would otherwise be disadvantaged by accepting work due to the loss of benefits. We are particularly grateful to those who have made grants and donations to our charity and also to the various local authorities and other partners who continue to provide much needed funds and support for the continuation and expansion of our work.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

Our policies, driven by our Christian ethos and values are an integral part of how we want our faith basis to be put into practice in everyday life within our activities and how we strive to show faith in action. In respect of equality, diversity & Involvement, safeguarding & protection, health & safety, data & information confidentiality and the environment we have commenced a process of annual self-evaluation.

We remained active in working with other agencies to ensure the safeguarding of children and vulnerable adults in Worcestershire. We have continued to be proactive in our management of premises in relation to health and safety and of staff in terms of training and development. The Health & Safety officer shared with Worcestershire YMCA has succeeded in ensuring our compliance in the activities which we deliver.

In YMCA's landmark 175th anniversary year, the 'YMCA175' event demonstrated to the world that YMCA is a committed platform for youth innovation and youth-led solutions. The event hosted 3500 young people across the world and Worcestershire supported in the planning and coordination of the event. We provided four members of the team to support in the chaplaincy, hidden sentence workshops, discovery visits and registration process of the event creating international links with other YMCA's.

In 2019, YMCA Worcestershire celebrated 150 years presence in the county and hosted a celebration event to mark the occasion.

#### Value for Money

The Regulator of Social Housing (RSH) Value for Money objectives are:

- Continuing to drive improvements in VFM within the social housing sector.
- Ensuring a strategic approach to delivering VFM is embedded within the business.
- Encouraging investing in existing homes and new housing supply.
- Enhancing the consistency, comparability and transparency of VFM reporting.

#### Regulatory Metrics

RSH Metric	2020	2019
1. Reinvestment %	-	-
2. New supply delivered %	-	-
3. Gearing%	-4.4%	-4.2%
4. EBITDA MRI interest cover%	6.9%	240%
5. Headline social housing cost per unit	£3,254	£3,545
6A. Operating margin (social housing lettings only)	36.9%	39.6%
6B. Operating Margin (overall)	-1.6%	2.3%
7. Return on Capital Employed	-1.1%	8.8%

#### Commentary

As a YMCA, we are a small specialist housing association with a diverse range of activities and the consolidated results include both regulated and non-regulated housing activities. As such, comparisons with other housing associations and benchmarking are difficult.

In respect of our Indicators our comments are as follows:

1. **Reinvestment %** - During the year there have been no additions to social housing fixed assets, we have continued with a programme of ongoing repair and upkeep which has been expensed during the year.
2. **New supply delivered %** - During the year there have been no additions to social housing delivery.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

3. **Gearing %** - This represents our net debt to lenders as percentage of the total value of our housing properties. The current level of gearing is low and we have capacity within that to borrow more.
4. **EBITDA MRI Interest Cover %** - This represents the level of surplus/ deficit compared to the interest payable. This ratio is lower this year specifically arising from the conclusion of certain contracts, higher voids experienced in the year and one-off legal and professional fees incurred in relation to property transactions in Worcester.
5. **Headline social cost per unit** - This represents social housing costs divided by total units owned and managed. The costs reflect the more intensive nature of some of our housing services. Our result would be above the average for general housing providers reflecting the more intensive nature of support services offered.
6. **6A Operating margin (social housing lettings only) %** - This represents operating surplus from social housing lettings divided by turnover from social housing lettings.  
  
**6B Operating margin (overall) %** - The reduction this year reflects the above commentary regarding the broad changes in income and expenditure. This is as a result of the net overall loss in the year.
7. **Return on capital employed %** - This compares the overall operating surplus/ deficit to total assets less current liabilities. The level of return is lower this year reflecting the reduction in operating surplus commented on above.

#### Public Benefit

The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives set.

Communities, particularly young people within the County of Worcestershire benefit from our work. We work with parents of children, children, young people and vulnerable adults. Our activities include affordable flexible childcare; work with school age children at school and outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and well-being and in support towards independent living. We engage in preventative work and work within the prison system to help offenders and their families. We are a registered provider of social housing offering affordable residential accommodation and we manage a number of community buildings across the County.

We recognise the importance of responding to the needs of the community and allowing them to influence the charitable company's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings. We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board. Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.



## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Plans for future periods

The overall performance last year affects our medium to long term strategy:

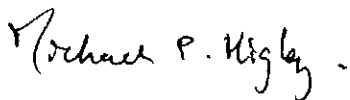
Our assessment of performance in the year is used to inform our strategy. We have reviewed our strategies and focus delivery on children and their families and young adults. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation in the face of reduced public spending. The organisation will further strengthen its offer to ensure it is comprehensive and cohesive and can be made to more potential beneficiaries throughout the County.

Our main objectives for next year:

**Early Years and Children:** Set up an Early Years Centre of Excellence passing the learning to other sites including extended hours wrap around care, so more children benefit from better outcomes at the Early Years Foundation Stage. Identify additional development opportunities.

**Young Adults:** Increase engagement with a wider spectrum of young people and develop enterprise initiatives so more young people are benefiting from broader opportunities towards raising aspirations and employment. Identify additional development opportunities.

By order of the Board



M Higley  
Chair  
28 September 2020



P Simpson  
Trustee

Gordon Anstis House  
Loxley Close  
Redditch  
Worcestershire  
B98 9JS

Tel: 01527 61643

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED**

### **Opinion**

We have audited the financial statements of Worcestershire YMCA Limited for the year ended 31 March 2020 which comprise the Consolidated Statement of Total Comprehensive Income, the company Statement of Total Comprehensive Income, the Consolidated Statement of Changes in Reserves, the company Statement of Changes in Reserves, the Consolidated Statement of Financial Position, the company Statement of Financial Position, the Consolidated Statement of Cash Flows and 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 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's and parent Association's affairs as at 31 March 2020, 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 private registered providers of social housing in England 2019.

### **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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

## **INDEPENDENT AUDITOR'S 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.

### **Opinions 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 Report of the Trustees (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (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 our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (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 charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 following 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 Statement of Trustees' responsibilities set out on page 8, the trustees 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 the board 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 is responsible for assessing the 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 Association or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
WORCESTERSHIRE YMCA LIMITED**

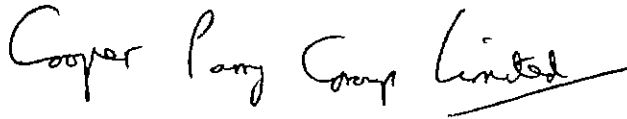
**Auditor's responsibilities for the audit of the financial statements**

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.

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](http://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 and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA  
Senior Statutory Auditor

for and on behalf of

**Cooper Parry Group Limited**  
Statutory Auditors

One Central Boulevard  
Blythe Valley Business Park  
Sollihull  
West Midlands  
B90 8BG

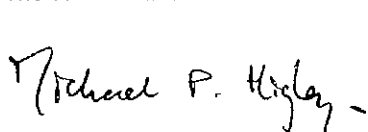
Date: 08/10/2020

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31 MARCH 2020

	Total 2020 £	Total 2019 £
Turnover	4,182,094	4,439,725
Operating expenditure	(4,260,109)	(3,807,975)
	<hr/>	<hr/>
Operating (deficit) / surplus	(78,015)	631,750
Interest receivable and other income	8	31
Interest and financing costs	(84,198)	(71,303)
	<hr/>	<hr/>
Total comprehensive income for the year	(162,205)	560,478
	<hr/>	<hr/>

The consolidated financial statements were approved by the Board on 28 September 2020.



M Higley  
Trustee



P Simpson  
Trustee

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

WORCESTERSHIRE YMCA LIMITED

COMPANY STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31 MARCH 2020

	Total 2020 £	Total 2019 £
<b>Turnover</b>	2,902,254	2,659,159
Operating expenditure	(2,954,808)	(2,700,160)
	<hr/>	<hr/>
<b>Operating deficit</b>	(52,554)	(41,001)
Interest receivable and other income	-	-
Interest and financing costs	(61,192)	(53,236)
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	(113,746)	(94,237)
	<hr/>	<hr/>

The consolidated financial statements were approved by the Board on 28 September 2020.

*Michael P. Higley*

M Higley  
Trustee

*P Simpson*

P Simpson  
Trustee

The company's results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

**WORCESTERSHIRE YMCA LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE  
YEAR ENDED 31 MARCH 2020**

	<b>Unrestricted</b>			
	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
<b>Balance as at 31 March 2016</b>	2,560,869	527,343	204,460	3,292,672
Surplus from statement of comprehensive income	295,103	-	39,839	334,942
Transfer between funds	(1,442,568)	1,442,568	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2017</b>	1,413,404	1,969,911	244,299	3,627,614
	<hr/>	<hr/>	<hr/>	<hr/>
Surplus from statement of comprehensive income	86,841	-	69,018	155,859
Transfer between funds	210,481	(25,032)	(185,449)	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2018</b>	1,710,726	1,944,879	127,868	3,783,473
	<hr/>	<hr/>	<hr/>	<hr/>
Surplus from statement of comprehensive income	688,346	-	(127,868)	560,478
Transfer between funds	32,571	(32,571)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2019</b>	2,431,643	1,912,308	-	4,343,951
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit from statement of comprehensive income	(162,205)	-	-	(162,205)
Transfer between funds	(499,339)	499,339	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2020</b>	1,770,099	2,411,647	-	4,181,746
	<hr/>	<hr/>	<hr/>	<hr/>

**WORCESTERSHIRE YMCA LIMITED**

**COMPANY STATEMENT OF CHANGES IN RESERVES FOR THE  
YEAR ENDED 31 MARCH 2020**

	<b>Unrestricted</b>			
	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
<b>Balance as at 31 March 2016</b>	1,439,117	527,343	19,011	1,985,471
Surplus from statement of comprehensive income	49,856	-	39,839	89,695
Transfer between funds	(1,442,568)	1,442,568	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2017</b>	46,405	1,969,911	58,850	2,075,166
	<hr/>	<hr/>	<hr/>	<hr/>
Surplus from statement of comprehensive income	(97,538)	-	69,018	(28,520)
Transfer between funds	25,032	(25,032)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2018</b>	(26,101)	1,944,879	127,868	2,046,646
	<hr/>	<hr/>	<hr/>	<hr/>
Surplus from statement of comprehensive income	33,631	-	(127,868)	(94,237)
Transfer between funds	32,571	(32,571)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2019</b>	40,101	1,912,308	-	1,952,409
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit from statement of comprehensive income	(113,746)	-		(113,746)
Transfer between funds	(6,411)	6,411	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2020</b>	(80,056)	1,918,719	-	1,838,663
	<hr/>	<hr/>	<hr/>	<hr/>



**WORCESTERSHIRE YMCA LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 MARCH 2020**

		Unrestricted	Designated	Restricted	Total	Total
		General Fund	Funds	Funds	2020	2019
	Note	2020	2020	2020		
		£	£	£	£	£
<b>Income from:</b>						
Donations and grants		3,556	-	301,167	304,723	318,522
Other trading activities		959,175	-	7,465	966,640	1,086,892
Investment income	5	8	-	-	8	31
Charitable activities	3	2,173,803	-	736,928	2,910,731	3,034,311
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>		3,136,542	-	1,045,560	4,182,102	4,439,756
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>						
Raising funds – trading activities		633,948	-	-	633,948	282,488
Charitable activities		2,664,799	-	1,045,560	3,710,359	3,596,790
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	6	3,298,747	-	1,045,560	4,344,307	3,879,278
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income for the year before other recognised gains and losses</b>		(162,205)	-	-	(162,205)	560,478
Transfer between funds	17	(499,339)	499,339	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		(661,544)	499,339	-	(162,205)	560,478
<b>Reconciliation of funds</b>						
Fund balance at 1 April 2019		2,431,643	1,912,308	-	4,343,951	3,783,473
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31 March 2020	18	1,770,099	2,411,647	-	4,181,746	4,343,951
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

All activities derive from continuing operations.

**WORCESTERSHIRE YMCA LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**31 March 2020**

**Registered company number: 01944516**

	Notes	Group 2020 £	2019 £	Association 2020 £	2019 £
<b>Fixed assets</b>					
Land and buildings	11	4,453,882	4,523,767	3,108,816	3,148,778
Other tangible fixed assets	12	58,736	59,127	22,205	37,318
Investments	13a	690	690	-	-
Goodwill	13b	493,373	396,587	-	-
		<u>552,799</u>	<u>456,404</u>	<u>22,205</u>	<u>37,318</u>
<b>Current assets</b>					
Stock	15	-	704	-	-
Debtors	14	265,837	203,084	250,748	373,450
Cash at bank and in hand		1,795,961	2,059,497	683,975	167,640
		<u>2,061,798</u>	<u>2,263,285</u>	<u>934,723</u>	<u>541,090</u>
<b>Creditors: amounts falling due within one year</b>	16a	(662,294)	(574,225)	(897,893)	(379,837)
<b>Net current assets</b>		<u>1,399,504</u>	<u>1,689,060</u>	<u>36,830</u>	<u>161,253</u>
<b>Total assets less current liabilities</b>		<u>6,406,185</u>	<u>6,669,231</u>	<u>3,167,851</u>	<u>3,347,349</u>
<b>Creditors: amounts falling due after more than one year</b>	16b	(1,888,988)	(1,966,066)	(1,071,425)	(1,117,264)
Provision for liabilities and charges	22	(335,451)	(359,214)	(257,763)	(277,676)
<b>Net assets</b>		<u>4,181,746</u>	<u>4,343,951</u>	<u>1,838,663</u>	<u>1,952,409</u>
<b>Represented by Unrestricted funds</b>					
General funds	17	2,103,553	2,790,857	177,707	317,777
Designated funds	17	2,411,647	1,912,308	1,918,719	1,912,308
Pension reserve	17	(333,454)	(359,214)	(257,763)	(277,676)
Revaluation reserve	17	-	-	-	-
		<u>4,181,746</u>	<u>4,343,951</u>	<u>1,838,663</u>	<u>1,952,409</u>
<b>Restricted funds</b>	17	-	-	-	-
<b>Total</b>		<u>4,181,746</u>	<u>4,343,951</u>	<u>1,838,663</u>	<u>1,952,409</u>

Approved by the Board on 28 September 2020

*Michael P. Higley*  
M Higley

*P Simpson*  
P Simpson

The accompanying notes form part of these financial statements.

**WORCESTERSHIRE YMCA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the year ended 31 March 2020**

	Note	2020 £	2019 £
<b>Net cash generated from operating activities</b>	19	25,349	(133,592)
<b>Returns on Investment and servicing of finance</b>			
Interest paid		(84,198)	(71,303)
Interest received		8	31
		<hr/>	<hr/>
<b>Net cash outflow from returns on Investments and servicing of finance</b>		(84,190)	(71,272)
		<hr/>	<hr/>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(38,300)	(597,069)
Proceeds from sale of fixed assets		-	1,850,000
Acquisition of subsidiary		(91,094)	(874,292)
		<hr/>	<hr/>
<b>Net cash (outflow) / Inflow from capital expenditure</b>		(129,394)	378,639
		<hr/>	<hr/>
<b>Financing</b>			
Net movement in short term borrowings		1,757	33,375
Net movement in long term borrowings		(77,058)	848,802
		<hr/>	<hr/>
<b>Net cash (outflow)/inflow from financing</b>		(75,301)	882,177
		<hr/>	<hr/>
<b>Net change in cash and cash equivalents</b>	20	(263,536)	1,055,952
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2020**

**1 Legal status**

Worcestershire YMCA is a company limited by guarantee, registered under the Companies Act 2006, an English registered social housing provider and a charity.

The address of the registered office is given on page 1 of these financial statements.

The principal activities of Worcestershire YMCA are outlined on page 8 to the financial statements.

Worcestershire YMCA is a public benefit entity as defined by FRS 102.

**2 Accounting policies**

The principal accounting policies of the company are as follows:

**Basis of accounting**

The financial statements have been prepared in accordance with UK applicable accounting standards (UK GAAP) 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 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of Worcestershire YMCA and rounded to the nearest £1.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

**Going Concern**

At the time of signing the accounts, the Trustees have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the group will continue to operate for a period of at least 12 months from the date of signing these accounts due to the level of funding already secured with its key partners

At the balance sheet date the group held significant cash balances. The group has significant reserves, the majority of which are unrestricted and is sufficient to absorb short-term in-period deficits if required. Government support is utilised, where it is appropriate to do so, and since the year end the Furlough scheme, the small business grant fund and the Coronavirus retail, hospitality and leisure grant fund have been accessed.

The financial forecasts prepared by the executive team show that the group will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

**Consolidated accounts**

The group is required by the Companies Act to prepare consolidated accounts. These consolidated accounts therefore comprise the financial statements of Worcestershire YMCA Limited, and of its subsidiary Worcester YMCA (including Worcester YMCA subsidiaries: Little Treasures Limited and First Class Nursery (Kidderminster) Limited).

All intra-group transactions and balances between Group companies are eliminated on consolidation.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2020**

**Business Combinations**

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life. The period chosen for writing off goodwill is nine years representing the remaining life of the lease acquired on the business premises of the subsidiary acquired.

**Incoming resources**

Incoming resources represent the amounts receivable in respect of operational activities, grants receivable and fundraising activities, excluding value added tax.

Grants received for housing properties 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.

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

Government 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.

Rents and service charges are accounted for when receivable in the year net of service charge losses and voids.

**Supporting People Grant**

Supporting People Grants (SPGs) are made by Worcestershire County Council and are utilised to provide affordable support to young people at risk in the community, whilst with the aim to develop skills that will make them independent of the Association. The grants are made directly to the Association and are recognised as income when the payment has been received.

SPG would become repayable if the availability of the support was not maintained during the period of the individual claim.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. The charitable company is partially exempt from VAT and irrecoverable VAT is included within the relevant category of expenditure.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Rentals on operating leases are charged in the revenue account as incurred.

**Tangible fixed assets – housing properties**

Housing properties, which are social housing grant assisted, are stated at valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost of housing properties net of social housing grant, over their estimated useful lives using the straight-line method at the following rates:

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

**Other tangible fixed assets**

Fixed assets other than housing properties are stated at cost less accumulated depreciation. With the exception of computing equipment, the costs of minor additions or those costing below £500 are not capitalised. Depreciation is provided to write off the cost of such fixed assets over their estimated economic lives at the following rates:

Freehold buildings	over 10 or 32 years on a straight line basis
Fixtures	15% straight line
Motor van	25% straight line
Computer equipment	20% straight line
Other equipment	10% straight line

**Restricted reserves**

These reserves are subject to restrictions on their expenditure imposed by their donor or through the terms of appeal, the policy for the Supporting People Grant is set out above.

**Designated reserves**

Worcestershire YMCA Limited set aside designated reserves for funds for reinvestment in properties.

**Stock**

Stock is valued at lower of cost and net realisable value.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Housing Properties**

Housing properties are principally properties available for rent and are stated at valuation less any provision for impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation.

Works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property are capitalised.

Major components of housing properties, such as roofs, windows and external doors, mechanical and electrical equipment, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives.

**Investments**

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss of revaluation is taken to the statement of comprehensive income.

**Pensions**

Worcestershire YMCA Limited and 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. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcestershire YMCA Limited and Worcester YMCA; therefore the scheme is accounted for as a defined contribution scheme.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary and charged as they are incurred.

In addition, all staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The Association has no liability beyond the payment of its agreed monthly contributions. The contributions are charged to the Statement of Financial Activities as incurred.

**Taxation**

Worcestershire YMCA and Worcester are registered Charities and are therefore exempt from paying corporation tax on charitable activities.

Little Treasures Limited and First Class Nursery (Kidderminster) Limited are not registered as charities and therefore corporation tax would be payable on tax surpluses should they arise.

**Value Added Tax (VAT)**

The majority of the Group expenditure is subject to VAT which cannot be reclaimed. Expenditure is therefore shown inclusive of VAT.

Although a large proportion of the Group's income is exempt from VAT, the Group charges VAT on some of its income and is able to recover VAT on directly attributable costs. The Group is also able to recover part of the VAT it incurs on overhead expenditure in line with a partial exemption method agreed with HM Revenue and Customs.

The Financial Statements include VAT to the extent that it is suffered by the Group and not recoverable from HMRC. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

**Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Income and Expenditure Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**Loan Interest Costs**

The full costs of deferred interest rate and Indexation loans are shown in the Income and Expenditure Account.

**Borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

**Provisions**

Provisions are recognised when the group has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Critical areas of judgement**

**Leases**

In determining whether leases are finance or operating leases, management judges as to whether (or not) the significant risks and rewards of ownership have transferred to Worcestershire YMCA.

**Useful lives of depreciable assets**

Management reviews the useful lives of assets at each reporting date.

**Multi period Income agreements**

In determining the revenue to be recognised on grants, or contract income whose project spans more than one period of account; Management recognise income where the Association has entitlement to the income, it is probable the economic benefit will flow to the Association and the revenue can be reliably measured under the terms of the agreement.



**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2020**

**3 Incoming resources**

Income was generated entirely within the UK and comprised:

	Unrestricted/ Designated 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
<b>Residential accommodation</b>				
Gross income before voids	1,508,868	-	1,508,868	1,476,992
less: voids	(231,835)	-	(231,835)	(376,051)
Other accommodation related non-regulated housing activity	428,677	-	428,677	802,282
	<hr/>	<hr/>	<hr/>	<hr/>
Income from residential accommodation	1,705,710	-	1,705,710	1,903,223
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Community activities</b>				
Children and youth services	113,008	736,928	849,936	752,153
Family services	355,085	-	355,085	378,935
	<hr/>	<hr/>	<hr/>	<hr/>
Income from community activities	468,093	736,928	1,205,021	1,131,088
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Income from activities</b>	<hr/> <b>2,173,803</b> <hr/>	<hr/> <b>736,928</b> <hr/>	<hr/> <b>2,910,731</b> <hr/>	<hr/> <b>3,034,311</b> <hr/>

All of the income received in 2019 was attributable to unrestricted funds.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3 Incoming resources from housing activities (continued)**

**Social housing income and expenditure**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rent receivable excluding service charges	619,165	532,580
Service charges receivable	645,554	555,280
Gross rent receivable net of void losses	<u>1,264,719</u>	<u>1,087,860</u>
Social housing operating costs	<u>(639,839)</u>	<u>(535,840)</u>
Operating surplus from housing activities	<u>624,880</u>	<u>552,020</u>

Void losses are detailed above.

**Units under management**

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
The units in management at the year-end were as follows:		
Accommodation – units owned	<u>180</u>	<u>167</u>
The nature of the owned units was as follows:		
General needs – Knowle Close, Bengrove Close and Frederick Eary House	122	115
Supported accommodation - Gordon Anstis House	<u>58</u>	<u>52</u>
	<u>180</u>	<u>167</u>

The above figures exclude 14 units respect of Worcester YMCA that are not regulated by the Homes and Communities Agency. The above figures also exclude an additional 14 units (annual average) of rented accommodation managed by Worcestershire YMCA during the year under review which were not regulated by the Homes and Communities Agency.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4 Operating surplus**

The operating surplus is arrived at after charging / (crediting)

	<b>Group</b>		<b>Association</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation of housing properties	71,442	94,529	39,962	69,519
Depreciation of other tangible fixed assets	39,473	30,700	27,949	26,427
Auditor's remuneration – audit of financial statements	26,460	20,000	10,800	10,029
Auditor's remuneration – other services	1,800	1,000	1,800	1,000

**5 Interest receivable and similar income**

	<b>Group</b>		<b>Association</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest receivable and similar income	8	31	-	-

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

6 Resources expended

a) Property management, maintenance and service costs

	Residential Accommodation regulated	Accommodation non-regulated	Children and Youth services	Adult and Community Services	Corporate Services	Trading Costs	2020 Total	2019 Total
	£	£	£	£	£	£	£	£
<b>Directly incurred</b>								
People related	297,538	354,998	755,929	317,820	435,551	491,347	2,653,183	2,372,672
Premises related	436,203	137,272	4,433	94,950	37	55,618	728,513	589,489
Vehicle related	11,264	-	-	-	-	269	11,533	606
Office costs	22,934	13,715	11,440	15,449	63,554	10,449	137,541	78,931
Other direct expenses	642	13,258	144,346	11,065	4,031	44,994	218,336	320,728
Overheads	74,853	15,824	24,124	3,854	151,432	10,351	280,438	247,595
Other costs	99,519	19,437	2,027	1,710	55,632	25,876	204,201	155,821
Depreciation	67,911	47,607	-	-	-	3,725	119,243	125,229
Taxation	-	-	-	-	-	(8,681)	(8,681)	(11,793)
<b>Direct charitable expenditure</b>	1,010,864	602,111	942,299	444,848	710,237	633,948	4,344,307	3,879,278

Of the expenditure incurred £3,298,747 relates to unrestricted funds (2019: £2,954,004) and £1,045,560 relates to restricted funds (2019: £925,274).

Indirect resources expended are allocated on a staff time basis.

**WORCESTERSHIRE YMCA LIMITED**  
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**7 Employee costs**

	2020 £	2019 £
Salaries and wages	2,040,646	1,836,972
Social security costs	119,472	109,212
Pension and other costs	163,284	96,006
	<hr/> 2,323,402	<hr/> 2,042,190
	<hr/> <hr/>	<hr/> <hr/>
	2020 No.	2019 No.
The average monthly number of persons employed during the year were as follows:		
Housing activities	8	19
Non-housing activities	157	135
	<hr/> 165	<hr/> 154
	<hr/> <hr/>	<hr/> <hr/>

No fees or remuneration in respect of housing management services have been paid to any member or board member of the Association during the year.

In calculating any surplus no account is taken of any amount which would recognise the extensive skilled management services provided free of charge by the Association members.

Accordingly, the board wishes to express its gratitude for both the time and energy of its volunteer members during the year.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2020**

**8 Employee costs – senior leadership team & key management personnel**

	2020 £	2019 £
The aggregate remuneration of the senior leadership team (who are also key management personnel) during the year was as follows:		
SALARIES	224,451	201,087
Social security costs	23,671	20,767
Pension	31,186	24,260
	<hr/> 279,308 <hr/>	<hr/> 246,114 <hr/>
	<b>2020 £</b>	<b>2019 £</b>

The remuneration of the highest paid member of the senior leadership team during the year was as follows:

Chief Executive - Salary	66,199	51,627
- Pension	9,297	6,461
	<hr/> 75,496 <hr/>	<hr/> 57,308 <hr/>

One employee is paid in excess of £60,000 (2019: no employees).

**9 Interest payable and similar charges**

Interest payable and similar charges comprised mortgage interest.

**10 Taxation**

As a charitable company, Worcestershire YMCA Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11 Land and buildings – Group**

With the exception of Bengrove Close, Stanley Road, Little Treasures (non-housing) and First Class (non-housing) all properties owned by the Group were social housing grant assisted schemes. The movement on these accounts during the year is as follows:

	Knowle Close £	Gordon Anstis House £	Bengrove Close £	Frederick Eary House £	Stanley Road £	Little Treasures £	First Class £	Total £
<b>Cost</b>								
At 1 April 2019	1,301,169	1,570,000	97,000	534,384	585,000	815,000	-	4,902,553
Additions	-	-	-	-	-	-	1,557	1,557
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,301,169	1,570,000	97,000	534,384	585,000	815,000	1,557	4,904,110
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>								
At 1 April 2019	111,291	145,170	10,664	86,650	16,453	8,558	-	378,786
Charge for year	7,544	23,257	1,167	7,994	16,453	14,670	357	71,442
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	118,835	168,427	11,831	94,644	32,906	23,228	357	450,228
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>								
At 31 March 2020	1,182,334	1,401,573	85,169	439,740	552,094	791,772	1,200	4,453,882
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2019	1,189,878	1,424,830	86,336	447,734	568,547	806,442	-	4,523,767
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The land and buildings of the Group at Knowle Close have a value for insurance purposes of £5,745,000 (2019: £5,745,000), at Gordon Anstis House of £2,600,000 (2019: £2,600,000), at Bengrove Close of £735,000 (2019: £735,000), Frederick Eary House of £2,300,000 (2019: £2,300,000) Little Treasures £931,915 (2019: £815,000) and at Stanley Road £585,000 (2019: £585,000). In the view of the Board, this is a fair statement of the current value of the Group's land and buildings.

All of the land and buildings are held on a freehold basis including land that is not depreciated.

Capital commitments are disclosed in note 24.

**WORCESTERSHIRE YMCA LIMITED**  
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**12 Other tangible fixed assets - Group**

	<b>Motor van £</b>	<b>Computer equipment £</b>	<b>Other equipment £</b>	<b>Fixtures £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2019	48,852	249,563	90,831	127,372	516,618
Additions	-	39,341	-	-	39,341
Disposal	(262)	(128,143)	-	-	(128,405)
At 31 March 2020	48,590	160,761	90,831	127,372	427,554
<b>Accumulated depreciation</b>					
At 1 April 2019	37,844	247,269	80,031	92,347	457,491
Charge for year	2,697	11,905	2,868	22,003	39,473
Eliminated on disposal	(42)	(128,104)	-	-	(128,146)
At 31 March 2020	40,499	131,070	82,899	114,350	368,818
<b>Net book value</b>					
At 31 March 2020	8,091	29,691	7,932	13,022	58,736
At 1 April 2019	11,008	2,294	10,800	35,025	59,127

**Other tangible fixed assets – Association**

	<b>Motor van £</b>	<b>Computer equipment £</b>	<b>Other equipment £</b>	<b>Fixtures £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2019	37,802	115,877	88,718	117,793	360,190
Additions	-	12,836	-	-	12,836
At 31 March 2020	37,802	128,713	88,718	117,793	373,026
<b>Accumulated depreciation</b>					
At 1 April 2019	37,802	114,119	80,031	90,920	322,872
Charge for year	-	3,078	2,868	22,003	27,949
At 31 March 2020	37,802	117,197	82,899	112,923	350,821
<b>Net book value</b>					
At 31 March 2020	-	11,516	5,819	4,870	22,205
At 1 April 2019	-	1,758	8,687	26,873	37,318



**WORCESTERSHIRE YMCA LIMITED**  
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**13a Investments**

	<b>Group</b>		<b>Association</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COIF Charities Investment</b>				
Market value at 1 April 2019	690	690	-	-
Change in market value	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2020	690	690	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**13b Goodwill**

	<b>Group</b>		<b>Association</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
Brought forward	440,652	-	-	-
Additions	154,668	440,652	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	595,320	440,652	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>				
Brought forward	44,065	-	-	-
Amortisation in year	57,882	44,065	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	101,947	44,065	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2020	493,373	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	-	396,587	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13c Investments: wholly controlled subsidiary undertakings**

The parent charitable company wholly controls the following charitable company:

<b>Charitable company</b>	<b>Country of registration or incorporation</b>	
Worcester YMCA	England and Wales	Limited by guarantee

Worcester YMCA wholly controls Little Treasures Limited and First Class Nursery (Kidderminster) Limited which are both incorporated in England and Wales and Limited by guarantee.

**Statement of total comprehensive income**

	<b>2020 £</b>	<b>2019 £</b>
<b>Turnover</b>	1,279,840	1,780,567
Operating expenditure	(1,305,302)	(1,124,124)
	<hr/>	<hr/>
Operating surplus	25,462	656,443
Interest receivable and other income	8	31
Interest and financing costs	(23,006)	(1,759)
	<hr/>	<hr/>
(Deficit) / surplus for the year	(48,460)	654,715
	<hr/>	<hr/>

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13c Investments: wholly controlled subsidiary undertakings (continued)**

**Statement of financial position**

	2020	2019
	£	£
<b>Fixed assets</b>		
Intangible assets	493,372	396,587
Tangible fixed asset	1,381,604	1,396,804
Investments	690	690
	<u>1,875,666</u>	<u>1,794,081</u>
<b>Current assets</b>		
Stock	-	700
Debtors	384,898	107,660
Cash at bank and in hand	<u>1,111,980</u>	<u>1,891,856</u>
	1,496,878	2,000,216
<b>Creditors: amounts falling due within one year</b>	<u>(134,211)</u>	<u>(470,415)</u>
<b>Net current assets</b>	<u>1,362,667</u>	<u>1,529,801</u>
<b>Total assets less current liabilities</b>	3,238,333	3,323,882
<b>Amounts falling due in more than one year</b>		
<b>Creditors: amounts falling due after more than one year</b>	(817,563)	(848,803)
Provisions for liabilities and charges	(77,688)	(83,537)
<b>Net assets</b>	<u><u>2,343,082</u></u>	<u><u>2,391,542</u></u>

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14 Debtors**

	<b>Group</b>		<b>Association</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent arrears	563,886	401,985	453,009	306,056
Provision against rent arrears	(473,515)	(330,508)	(362,820)	(263,778)
	<u>90,371</u>	<u>71,477</u>	<u>90,189</u>	<u>42,278</u>
Other debtors	70,100	93,064	66,156	311,164
Prepayments and accrued income	105,366	38,543	94,403	20,008
	<u>265,837</u>	<u>203,084</u>	<u>250,748</u>	<u>373,450</u>

**15 Stocks**

	<b>Group</b>		<b>Association</b>	
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Food stocks	-	704	-	-
	<u>-</u>	<u>704</u>	<u>-</u>	<u>-</u>

**16a Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Association</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	66,878	65,121	33,503	31,746
Deposits held for residents	8,666	8,666	8,666	8,666
Social security and other taxes	37,245	29,542	26,394	20,951
Trade creditors	236,680	159,782	182,161	109,700
Other creditors	13,234	10,133	8,923	6,214
Accruals and deferred income	297,226	300,981	272,319	202,560
Owed to related parties	-	-	365,927	-
Corporation tax	2,365	-	-	-
	<u>662,294</u>	<u>574,225</u>	<u>897,893</u>	<u>379,837</u>

**WORCESTERSHIRE YMCA LIMITED**  
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**16a Creditors: amounts falling due within one year (continued)**

The average number of days between receipt and payment of purchase invoices was 30 (2019: 30).

Deferred income primarily relates to funding billed in advance of the undertaking of the projects to which it relates where the funding is based on performance deliverables.

Included in accruals and deferred income above is deferred income of £253,537 (2018: £235,711) and this is analysed below:

	£
Deferred income brought forward	235,711
Movement during the year	17,826
	<hr/>
Deferred income carried forward	253,537
	<hr/>

**16b Creditors: amounts falling due after more than one year**

	Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	1,888,988	1,966,066	1,071,425	1,117,264
	<hr/>	<hr/>	<hr/>	<hr/>
Loan maturity analysis				
Within one year	66,878	65,121	33,503	31,746
Within one to two years	68,214	66,375	34,839	33,000
Within two to five years	213,296	207,243	113,171	107,118
In more than 5 years	1,607,478	1,692,448	923,415	977,146
	<hr/>	<hr/>	<hr/>	<hr/>
	1,955,866	2,031,187	1,104,928	1,149,010
	<hr/>	<hr/>	<hr/>	<hr/>

Interest is payable on the loans at normal commercial rates.

Loans are secured by a legal charge over the properties concerned.

**WORCESTERSHIRE YMCA LIMITED**  
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**17 Movement in funds - Group**

	Balance at 1 April 2019 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2020 £
<b>Designated funds</b>					
Financed fixed assets	1,912,308	-	-	499,339	2,411,647
<b>General fund</b>	2,790,857	3,136,542	(3,324,507)	(499,339)	2,103,553
<b>Pension reserve</b>	(359,214)	-	25,760	-	(333,454)
<b>Total unrestricted funds</b>	4,343,951	3,136,542	(3,298,747)	-	4,181,746
<b>Restricted funds</b>					
Supporting People	-	140,038	(140,038)	-	-
Community Capacity	-	58,139	(58,139)	-	-
Redditch Youth	-	72,363	(72,363)	-	-
Big Lottery Fund	-	190,052	(190,052)	-	-
National Citizen Service	-	395,016	(395,016)	-	-
BBO Job Coach	-	104,903	(104,903)	-	-
CCG	-	11,088	(11,088)	-	-
Positive Activities	-	42,682	(42,682)	-	-
Bromsgrove Hub	-	26,304	(26,304)	-	-
U Can Educational Project	-	4,975	(4,975)	-	-
<b>Total restricted funds</b>	-	1,045,560	(1,045,560)	-	-
<b>Total funds</b>	4,343,951	4,182,102	(4,344,307)	-	4,181,746

**Designated**

Financed fixed assets      These are funds set aside by the Board to represent loan finance commitments together with the associated net book value of fixed assets that are mortgaged.

**Restricted**

Supporting People      Provision of support for vulnerable homeless young people  
Community Capacity      Provision of information and guidance on community provision  
Redditch Youth      Provision of positive activities for young people  
Big Lottery Fund      Providing childcare and family support to prisoners and their families encouraging sustained involvement whilst fathers are in prison.  
National Citizen Service      Provision of social action training for young people aged 16 and 17 years old  
BBO Job Coach      Provision of support for economically inactive and unemployed person aged 16+  
CCG      Provision of mental health counselling for children aged 11 to 18 years  
Positive Activities      Provision of positive activities in Bromsgrove  
Bromsgrove Hub      Youth club and provision of positive activities in Bromsgrove  
U Can Educational project      Pathway to employment for unemployed people furthest away from the job market

**WORCESTERSHIRE YMCA LIMITED**  
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**17 Movement in funds – Group – prior year**

	Balance at 1 April 2018 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2019 £
<b>Designated funds</b>					
Financed fixed assets	1,944,879	-	-	(32,571)	1,912,308
<b>General fund</b>	1,266,064	3,642,350	(2,150,128)	32,571	2,790,857
<b>Revaluation reserve</b>	839,677		(839,677)	-	-
<b>Pension reserve</b>	(395,015)		35,801	-	(359,214)
<b>Total unrestricted funds</b>	3,655,605	3,642,350	(2,954,004)	-	4,343,951
<b>Restricted funds</b>					
Supporting People	79,497	149,638	(229,135)	-	-
Community Capacity	-	57,285	(57,285)	-	-
Redditch Youth	-	65,494	(65,494)	-	-
Big Lottery Fund	48,371	163,898	(212,269)	-	-
National Citizen Service	-	212,379	(212,379)	-	-
Shaw Trust	-	17,703	(17,703)	-	-
BBO Job Coach	-	63,926	(63,926)	-	-
CCG	-	7,000	(7,000)	-	-
Positive Activities	-	32,290	(32,290)	-	-
Bromsgrove Hub	-	27,793	(27,793)	-	-
<b>Total restricted funds</b>	127,868	797,406	(925,274)	-	-
<b>Total funds</b>	3,783,473	4,439,756	(3,879,278)	-	4,343,951

**18 Analysis of net assets between funds**

	Fixed assets £	Goodwill & Invest- ments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
<b>Unrestricted funds</b>							
General	145,105	494,063	2,061,798	(595,416)	-	(1,997)	2,103,553
Designated	4,367,513	-	-	(66,878)	(1,888,988)	-	2,411,647
Pension	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	(333,454)	(333,454)
Revaluation	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
<b>Restricted funds</b>	-	-	-	-	-	-	-
<b>Net assets at 31 March 2020</b>	4,512,618	494,063	2,061,798	(662,294)	(1,888,988)	(335,451)	4,181,746

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**Analysis of net assets between funds – Prior year**

	Fixed assets £	Goowill & Invest- Ments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
<b>Unrestricted funds</b>							
General	1,520,452	397,277	2,263,285	(538,890)	(851,267)	-	2,790,857
Designated	3,062,442	-	-	(35,335)	(1,114,799)	-	1,912,308
Pension	-	-	-	-	-	(359,214)	(359,214)
Reserve	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
<b>Restricted funds</b>	-	-	-	-	-	-	-
<b>Net assets at 31 March 2019</b>	<b>4,582,894</b>	<b>397,277</b>	<b>2,263,285</b>	<b>(574,225)</b>	<b>(1,966,066)</b>	<b>(359,214)</b>	<b>4,343,951</b>

**19 Cash outflow from operating activities**

	2020 £	2019 £
Net movement in funds	(162,205)	560,477
Interest paid	84,198	71,303
Interest received	(8)	(31)
(Loss) / profit on disposal	259	(550,000)
Depreciation of tangible fixed assets	110,915	125,229
Amortisation	57,882	44,065
(Increase) / decrease in debtors	(58,715)	7,200
Decrease in stock	704	56
(Decrease) / increase in creditors	16,082	(358,090)
(Decrease) in provisions	(23,763)	(33,801)
	<b>25,349</b>	<b>(133,592)</b>

**20 Analysis of cash and cash equivalents**

	At 1 April 2019 £	Cash Flow £	Non-cash Changes £	At 31 March 2020 £
Cash at bank and in hand	2,059,497	(263,536)		1,795,961



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**21 Business combinations and goodwill**

On 31 December 2019 Worcester YMCA acquired control of First Class Nursey (Kidderminster) Limited for consideration of £108,818.

Recognised amounts of identifiable assets acquired and liabilities assumed	Book Value £	Fair Value £
Tangible	2,598	2,598
Intangible asset	39,000	39,000
Debtor	4,039	4,039
Cash at bank and in hand	<u>17,724</u>	<u>17,724</u>
Total assets	63,361	63,361
Due within one year	<u>(22,325)</u>	<u>(22,325)</u>
Total identifiable net assets	41,036	41,036
Goodwill		<u>67,782</u>
<b>Total purchase consideration</b>		<b>£108,818</b>

**22 Pension commitment**

Worcestershire YMCA Limited 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 Worcestershire YMCA Limited and Worcester YMCA and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2017. 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 held before and after retirement of 3.75% and 2.25% respectively, the increase in pensions in payment of 3.35% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.2 years, female 24.1 years, and 24.0 years for a male pensioner, female 26.0 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £141.2m. This represented 81% of the benefits that had accrued to members.

**WORCESTERSHIRE YMCA LIMITED**  
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**22 Pension commitment (continued)**

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 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. Worcestershire YMCA has been advised that it will need to make monthly contributions of £3,068.60 from 1 May 2020. 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. The current recovery period is 7 years commencing 1st May 2020.

	Within 1 year £	One to two years £	Two to five years £	After five years £	After more than one year £	Total 2020 £	Total 2019 £
As at 31 March 2020	<u>47,636</u>	<u>47,636</u>	<u>142,909</u>	<u>95,272</u>	<u>285,818</u>	<u>333,454</u>	-
As at 31 March 2019	<u>44,902</u>	<u>44,902</u>	<u>134,705</u>	<u>134,705</u>	<u>314,313</u>		<u>359,214</u>

In addition, Worcestershire YMCA Limited and Worcester YMCA may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Worcestershire YMCA Limited and Worcester YMCA may be called upon to pay in the future.

**YMCA contributory pension scheme**

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The Association has no liability beyond the payment of its agreed monthly contributions.

The chief executive participates in the YMCA contributory pension scheme with an agreed level of contribution being paid by the Association. The Association has no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year is shown in note 7. The amount outstanding at the year-end was £9,749 (2019: £7,717).

**23 Contingent liabilities**

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

As detailed in note 22 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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**24 Capital commitments**

There were no capital commitments at the balance sheet date (2019: £nil).

**25 Financial commitments**

Financial commitments under non-cancellable operating leases will result in the following payments falling due:

	2020 £	2019 £
<b>Contracts expiring</b>		
Within one year	28,837	137,773
Within two to five years	63,337	34,910
Over five years	239,700	253,800
	<hr/> 331,874	<hr/> 426,484

**26 Related Party Transactions**

During the year Worcester YMCA made loans and recharged expenses to Worcestershire YMCA Limited amounting to £148,727 (2019: £356,586). Worcestershire YMCA owed Worcester YMCA £336,355 (2019: £187,628) at the year end.

Little Treasures Limited, subsidiary of Worcester YMCA made loans and recharged expenses to Worcestershire YMCA amounting to £217,200 during the year (2019: £187,628 made by Worcestershire YMCA to Little Treasures Limited). £29,572 was owed by Worcestershire YMCA to Little Treasures Limited at the year end (2019: £187,628 owed by Little Treasures Limited to Worcestershire YMCA).

Worcestershire YMCA made loans to First Class Nursery (Kidderminster) Limited, subsidiary of Worcester YMCA during the period amounting to £3,883 which was owed to Worcestershire YMCA at the year end.

Worcester YMCA made loans and recharged expenses to Little Treasures Limited amounting to £245,104 (2019: £246,351) during the year. At the year end Little Treasures Limited owed Worcester YMCA £491,455 (2019: £246,351)

Worcester YMCA made loans and recharged expenses to First Class Nursery (Kidderminster) Limited amounting to £106,143 during the period. At the year end First Class Nursery (Kidderminster) Limited owed Worcester YMCA £106,143.

The movements relate to net cash movements, recharges and payments made under deed of covenant.

**27 Legal status of the charitable company**

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

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**28 Ultimate controlling party**

Worcestershire YMCA Limited is controlled by its Board of Trustees.