

YMCA North Staffordshire Ltd.
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 March 2020

Company Registration No: 04804681
Registered Charity No: 1100749
RP No: H4426

YMCA North Staffordshire Ltd.

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YMCA North Staffordshire Ltd.

TRUSTEES, DIRECTORS AND ADVISORS

PRESIDENT

Bishop of Stafford (non voting)

BOARD OF DIRECTORS

GC Handforth – Chair Person

MJ Toohey – Vice Chair

B Sumner – Treasurer

L Tindale

A Robinson

Rev SA Smith

PJ Franklin

PA Dartford

PA Williams

H Chadwick

Dr SW Williams

J Sawyers

NC Joy-Johnson

JL Thorpe

CHIEF EXECUTIVE AND COMPANY SECRETARY

D Flynn

REGISTERED OFFICE

Edinburgh House

Harding Road

Hanley

Stoke-on-Trent

Staffordshire

ST1 3AE

AUDITORS

RSM UK Audit LLP

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

BANKERS

National Westminster Bank Plc.

1 Upper Market Square

Hanley

Stoke-on-Trent

Staffordshire

ST1 1NS

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

Our vision

YMCA's vision in England and Wales is of an inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

Our Mission

We develop young people; they develop their world.

Principal Activities

The principal activities of YMCA North Staffordshire are to provide housing, support, training, recreation and sports activities for young people, their families and their communities.

What we do

We develop life chances and new futures for young people, their families and communities. This comes in the form of a wide range of services.

We provide specialist housing on our young people's campus including purpose-built move on accommodation and housing in the community for young workers. The campus offers young people a high standard of accommodation in a safe supportive environment with staff who offer development opportunities in areas of education, employment and well-being advice together with a wide range of creative and recreational activities to inspire and motivate.

We provide effective training programmes for young people and their families to assist them to gain confidence, acquire skills and development via volunteering and support them to gain and sustain paid employment.

We provide a range of family services where our team help to re-build and maintain family relationships in areas such as parenting skills, conflict resolution, work with separated parents and their children.

We provide an onsite sports and recreation centre including a gym, sports hall, outdoor football pitch and offer a range of programmes for young people, community sports clubs, schools and our local community.

We provide a roof top conference centre and other meeting rooms that can be hired by local community groups and businesses for meetings and conferences and offer in house catering if required.

We provide a place for our community to gather and actively support other local charities, community groups and other stakeholders by sharing our space, experience and expertise where it is of use.

We provide an experienced staff team to deliver the National Citizenship service to young people.

We play an active role in our community working with them to provide opportunities.

Our values

YMCANS Values are

- Trust
- Hope
- Persevere
- Protect

These values are our bedrock and help us create the resilience to develop young people into thriving lives.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

DIRECTORS

The directors who have held office since 1 April 2019 are as follows:

GC Handforth
MJ Toohey
B Sumner
L Tindale
A Robinson
Rev SA Smith
PJ Franklin
PA Dartford
PA Williams
DR SW Williams
H Chadwick
J Sawyers
DL McIndoe Resigned 06.09.2019
NC Joy-Johnson Appointed 23.09.2019
JL Thorpe Appointed 23.11.2020

ORGANISATIONAL STRUCTURE

YMCA North Staffordshire is a Registered Social Landlord (Reg No: H4426); a registered charity (Reg No: 1100749) and a company limited by guarantee (Reg No: 04804681). The YMCA board of management meets bi-monthly with a full business agenda. The board oversees the strategic development and operational performance of the organisation.

Appointment and recruitment of directors

Potential candidates for directors are interviewed by the Chair and the Chief Executive. This is a three-stage process:

1. A discussion around the organisation's vision and mission and to explain the charitable objects, company articles, business plan and direction of the organisation. To check on the potential members skills set and experience.
2. If the Chair and the potential director agree that they would be suitable, the individual is introduced to the board of directors who then collectively decide whether to offer Board Membership.
3. If the full board agrees the proposed director comes to a full board meeting and after discussion a vote will take place.

Directors' induction and training

Once appointed each Board Member is allocated to one of the strategic groups that oversee the running of the organisation, membership of these groups allows the board member to specialise in their area of expertise and/or interest.

The Current Groups are:

Finance & Risk

H.R.

Campus Development

Performance Standards (Including Health & Safety & Safeguarding)

Christian & Spiritual Development

Business Development

Capital Development

Connectivity & Communications

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

Membership of the groups include one or two board members plus senior and operational staff.

In addition, the Chair of the Board & CEO will identify areas of training and development and ensure that this is delivered. Regular events take place at least annually where the Board reflects on the values of the YMCA and the work that we do to ensure that they are aligned.

Public benefit and value for money

The YMCA aims to serve young people, their families and the community, we continue to provide housing for some of the most marginalised young people in our area and have improved our offer with the new flats that provide a better standard of accommodation and facilities for young families for the first time. We are growing our property portfolio to help low waged young people afford community-based accommodation and maintain their employment.

Our activity centre is being enjoyed by members of the community for sports and family fun days and our family contact centre continues to serve young children providing a safe space for them to play and talk to trained counsellors.

Our training and employment service assists people lacking in skills and confidence to become ready to manage work opportunities and move towards economic independence.

Our Café area has been refurbished, we aim to build upon our successful monthly community meal and offer more events and opportunities on the campus.

Value for money

In the current economic environment, it is important to ensure that the YMCA maximises the value from its expenditure. The Board considers value for money as part of its strategic approach when allocating resources, but not at the expense of providing quality of service, all new proposals and major items of expenditure are scrutinised by both the business development and finance and risk board working groups prior to approval.

Risk management

YMCA North Staffordshire works with people who have been disadvantaged through limited life chances. As we describe ourselves as a life chances agency it is appropriate to take risks with our charity's resources to make opportunities available to those people in order for them to reach their potential and thrive. We are therefore happy to take a risk with creating life chances.

We will not however, take any risks relating to the protection of young people and vulnerable adults. Full vetting procedures will always be followed for all staff and volunteers and disciplinary action follows when breaches occur. A similar policy is adopted in relation to fraud and corruption.

The Charity is fortunate to hold assets in the form of property and cash and revenues generated from our activities. We will take some risk to achieve good returns but will not put at risk the capital value of our assets and will always seek to balance the risk of any loss against the expected return.

The board delegates the detailed review of Risk Management to the Finance and Risk Management Working Group which consists of the Vice Chair, Treasurer, plus at least one other board member/ advisor together with the Deputy Chief Executive and Finance Director. This group meets bi-monthly to review all issues both internal and external that might have an adverse effect on the organisation fulfilling its objectives. The full board receives a written report from this group after every meeting.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

The Board identifies headline current risks to the charity as follows:

- The Capital Development for the new flats is completed on time and within budget.
- Disruption to the charity's activities from the impact of Covid-19.
- Protecting vulnerable people who use our services from any safeguarding risk.

Impact of COVID -19

The Charity has responded to the pandemic by focussing on the core activities and directing resources to ensure that beneficiaries, staff and the communities that we work with are able to thrive in line with our aims and plans.

From the point of the initial lockdown period, we have prioritised the safety and well-being of our residents and staff, services that cannot be delivered face to face have moved to digital delivery where possible and staff who do not need to be on site are working from home.

Procedures and protocols have also been produced for service users and staff, with meetings taking place on a weekly basis of the full management team to monitor the situation and respond to changes.

Where services could not be delivered, we have made use of the job retention scheme grant and other small grants made available locally. We have been able to help members of our local community by providing resource packs for children during lockdown and contributing to food distribution efforts.

We have added a temporary objective to our business plan to enable the charity to manage the period of the pandemic and learn from the experience.

We will learn to Thrive through Covid-19

We aim to ensure that we achieve the following outcomes:

Staff, Customers, Visitors and Volunteers:

- feel safe;
- have positive physical, spiritual and mental health; and
- are included and feel part of a supportive community.
- The YMCA Campus is safe and fit for purpose to deliver all activities.

Use of technology has enabled us to rethink the ways in which we can thrive.

This objective will form part of our monthly development days for the Senior Management Team and will be reported to the Board via working groups and the full Board meeting.

In terms of financial management during Covid-19. Expenditure deemed to be non-essential has been paused. All services and activities budgets are reviewed quarterly to consider any changes in circumstances. This has allowed management and the Board to adapt as flexibly as possible to changing circumstances.

Director's indemnity insurance

The YMCA has Directors Indemnity Insurance of up to £1m.

FUTURE PLANS

Over the past 16 years we have been successful in building a great reputation. We are seen as a contributor to the strategy of the city, where we have established a leadership role and our good standing has manifested into becoming a "go to" organisation.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

Our business plan 2020-23 describes and forecasts the next development phase of YMCANS. We want to be a charitable business that drives towards its own financial independence as we broaden our reach serving young people, helping them to grow into adulthood with the strength, resilience and skills to be able to thrive and successfully grow their preferred futures. In the last 3 years we have developed and implemented Asset Based Community Development thinking and subsequent approaches to our mission. This Business plan reflects the learning of the last 3 years and a forecast into the future. There is no fundamental change in our strategic direction of travel. Rather we are deepening and strengthening the insights and learning from the previous period.

We will ensure that most of our products and services are scalable and profitable. Where this is not possible, we will clearly understand those activities to be loss leaders, research and development or campaigning activities. Ultimately a greater focus on profitability will ensure a sustainability and a stronger position from which to fund our charitable objectives.

In 2021-22 we intend to:

Be a thriving business: We understand as a charity we must be business like, unless we produce annual surpluses on our activities, we will not be able to deliver and grow our mission and subsequent activities. However, we understand that in areas of mission and subsequent development we must take a broad view of surplus and recognize that some areas of our work will need to be supported to ensure we deliver our broader vision. We measure our impact in three ways, social, environmental, and cash.

See those in our community of service thrive: Our passion is to see young people, families and communities thrive. All our current product and services and future development are focused on this outcome. We act as a facilitator to serve and grow community strength. We will adopt a social capital model to measure our impact.

Invest in staff and volunteers to see them thrive: YMCANS is a human organisation and all transactions are relational, our biggest cost and resource are our people. Our asset approaches understand that all individuals have gifts and talents. We shall invest in the people resources building a team and individuals of able, equipped and focused staff and volunteers, who expand and strengthen our mission.

See our city and its people thrive: We are committed to contribute our value to build the strength of our geographical area of service, across the communities. We will work with partners and engage in strategies, activities and events that improve the lives, education and environment of the geography we serve.

Understand and adapt to the cultural and behavioural shift that Covid-19 has brought to our services, people and community.

Complete the Development of 46 additional units of accommodation, which will be supported by a loan from Charity Bank.

KEY MANAGEMENT REMUNERATION

The remuneration policy is decided by the Board by means of a triennial formal review based on national YMCA guidance. The human resources working group undertakes the review, which is presented to the board for formal approval. Implementation is subject to affordability.

ACHIEVEMENTS AND PERFORMANCE

Last year we set out the following Future Plans for 2019-20

Further increase the size of our affordable community housing scheme

During the year we added a further 7 properties, providing up to 14 units of affordable accommodation.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

Commence the programme to develop a further 46 units of move on accommodation at our campus

During the year we held a tender process and appointed a contractor for the development having drawn down the first part of the Capital Grant from Homes England for the Development

Renew the equipment in our Community Sports Centre Gym

During the year we invested £ 56,894 to replace equipment in our Sports Centre Gym

Review our community youth activities in the final year of their lottery funding for projects that we can operate sustainably moving forward

We have worked closely with potential funders and external evaluators to develop the community youth work model moving forward. The new model is more community focused and seeks to bring together the products and services of YMCA North Staffordshire to have greater reach and impact. The new model also works on less funding and management and rather brings together a range of services, both external and internal to ensure sustainability. We were successful with a Reaching Communities bid to develop the community model but unfortunately Covid-19 has resulted in the project being disrupted and future funding bids delayed, we will look to rebuild the youth offer when this is possible.

Produce our first social impact report with a view to developing this across the organisation

We produced the first social impact report, concentrating on the Bertrarelli funding - the Creative Youth Minds programme. We used this report for the Queens Award, which has been valuable as they have provided feedback on where and how we develop this further. We now have an organisational theory of change and this is allowing us to identify what resource is needed and how products and services support the wider YMCA North Staffordshire impact. This framework has been used to pull together the next business plan and we now have a social impact reporting template to measure each of those areas of work.

Change the activity in our Social Enterprise Convenience Store

In the Autumn of 2019, we closed the Spar convenience store and re-modelled the space into a campus shop and launched “Your Local Pantry”, part of a network of community food stores, creating a sustainable and long-term solution to food poverty and helping the members of our local community save money on their food bills.

OPERATIONAL REVIEW OF THE YEAR (including balance sheet review)

The year to March 2020 has been a year of growth and adaption. The Charity has made a financial surplus of £57,039 and increased its activities and the opportunities available to young people.

The growth in operating costs is explained as follows. The largest cost is the impact of the three yearly salary review plus some additional posts which due to the growth of the organisation over the past three years this increased gross salaries by £250k for the 12 Months to March. This was anticipated it happened three years ago and is calculated on a National YMCA scoring system supervised by our board and was implemented in December 2018.

The history of the three-year reviews has been that after a hit in year one surplus has recovered during years two and three. This was before coronavirus. We will respond to changes caused by the pandemic to keep costs under review and control going forward.

Due to our continued investment in community housing and the initial costs incurred for the new flats the depreciation charge has increased by £30k on the previous year.

The large increase in cash and bank balances is due to the receipt of the large capital grant for the flats at the end of the financial year, most of this will be spent in the 2020-21 year.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

FUNDS AND RESERVES

YMCA North Staffs has funds available to finance its activities. These are unrestricted funds expendable at the discretion of the board in furtherance of the charity's objects. Such funds may be designated by the board for a project or purpose.

The Board recognises the need to establish a level of general reserves that enables financial stability, is adequate to meet the requirements of working capital and acts as a cushion against fluctuations in income levels and in the financial performance of the YMCA's activities. Such reserves are built up from operating surpluses. The Board will also use reserves to develop the range of services and activities where this is deemed appropriate.

Our reserves are also needed to manage our ongoing maintenance commitments following our major refurbishment. We had a major development programme between 2008 and 2013 which will need increasing maintenance and major repairs and the board feels that it is prudent to designate a sum to ensure that any future costs can be met. We commissioned a long-term maintenance plan during the year which predicts the cost of future planned and major repairs. In 2018 we set up a designated reserve to work to aim to meet this cost, we have started to consider some long-term investment in order to build growth into the reserve but have suspended this decision due to uncertainty caused by Covid-19 and Brexit. The Board will review the situation in 2021-22.

The board's policy is that free reserves should be sufficient to manage the predominant risks to the organisation and its working capital requirements, currently these risks would include the costs of redundancy payments due to any loss of contract income because of the economic situation and changes to government policy. The economy is expected to enter a period of recession following the coronavirus disruption and The Board recognises that this may have an impact on our operating environment. There is an on-going pension deficit liability to manage which is expected to increase. Our new business plan recognises the need for more commercial skills and greater data evidence to measure and demonstrate our impact and reserves will be allocated to fund these changes. Regulation of our sector continues to grow, and resources need to be allocated to ensure that the charity has the capacity to meet these obligations. The level of free reserves on 31 March 2020 was £312,121, this figure is calculated by deducting the restricted and designated funds from the total reserves on page 16 and any funds tied into fixed assets. This amount is considered as adequate by the board for current short-term needs.

The Board also recognises that due to the Impact of the coronavirus on the new flats' development that some contribution from reserves may be required to complete this project.

PRINCIPAL RISKS AND UNCERTAINTIES

The primary risk that we face is now based around the impact on the charity sector of the coronavirus. The impact of this is not yet fully understood. The Board is monitoring the situation closely. This adds to the risk that we constantly prioritise which is changes in government policy that might impact upon contract funding. Austerity measures are still impacting local authority funding.

We are currently in contract to develop 46 new units of accommodation, ensuring that this is developed within budget and by the revised Homes England deadline of March 2022 is also a priority risk.

The Board monitors the longer-term impact on the organisation of maintenance and major repairs and recognises that the challenge to maintain our campus is challenged by the current economic climate.

The Board keeps all issues facing the sector that the charity operates in under review in order to assess potential impact on the charity of any emerging risks or uncertainties.

We continue to strive for ways to generate a greater proportion of our income and consider the growth and development of affordable housing as a key strategy.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

Other ongoing risks are always in the areas of safeguarding and health and safety and these are under constant management and review by the Board.

GOING CONCERN

When the Covid-19 pandemic restrictions were announced in March 2020 the Board instructed management to focus on maintaining the core of the charity. All non-essential expenditure was stopped. All Budgets are reviewed on a quarterly basis to consider any change in circumstances.

In terms of the basis for a going concern, the key issues are:

1. Housing is the core activity of the charity and is stable and financially viable
2. Regarding contract activities our operating model ensures that when funding for a contract ends the associated costs related to that contract also come to an end. Reserves are only ever used as a bridge to new funding agreed.
3. The Board and management have experience in dealing with uncertainty.

The Charity has prepared detailed budgets and cash flow forecasts for the period from the date of approval of these financial statements to 31 March 2022. In order to mitigate the impact of the Covid-19 crisis, a review of each cost centre within the charity has taken place with particular focus on cost centres that rely upon short term contract income. This review has considered the most pessimistic position where Income has not been confirmed.

The Board has reviewed the covenants on the existing loan with Unity Trust Bank and remains confident that all covenants can be fulfilled. This arrangement consists of three loans of £500k for properties in the community secured on those properties and is fully drawn down.

The cash position of the charity is positive and will remain so throughout 2021-22 with the support of a loan from Charity Bank to support the completion of the Development of 46 additional units of accommodation. This loan is currently at the legal stage with both parties having signed the agreement on 12/01/2021. The loan will be drawn down monthly from applications submitted by the contractor once approved.

The Board does recognise that the unprecedented level of uncertainty caused by Covid-19 and rapidly changing circumstances mean that the judgements and estimates required by management are more challenging than under normal circumstances. The Board has considered the increased pressure on income streams brought about by the pandemic and has concluded that given the financial performance of the current housing projects and the ability to quickly adapt to changes in contract funded activities that a going concern basis remains appropriate for the preparation of these financial statements. For this reason, the Board do not consider there to be a material uncertainty on the Charity's ability to operate as a going concern.

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as the trustees and directors are aware, there is no relevant information of which the company's auditor is unaware. Additionally, the trustees and directors have taken all the necessary steps that they ought to have taken as trustees and directors to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

AUDITOR

RSM UK Audit LLP was appointed by the company. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore RSM UK Audit LLP will continue in office.

By order of the Board

Director



01.02.2021

Director



01.02.2021

YMCA North Staffordshire Ltd.

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors (who are also trustees of the charity) are responsible for preparing The Report of the Board of Management and the financial statements in accordance with applicable law and regulations.

Company law and housing association legislation requires the directors to prepare financial statements for each financial year. Under those laws the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors and trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA NORTH STAFFORDSHIRE LTD.

Opinion

We have audited the financial statements of YMCA North Staffordshire Ltd. (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, 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 FRS 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 company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Strategic Report and the Boards Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Boards Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA NORTH STAFFORDSHIRE LTD. (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Boards 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the directors' responsibilities statement set out on page 11, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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: <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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

ANNA SPENCER-GRAY (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP

Statutory Auditor

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

10.2.21

YMCA North Staffordshire Ltd.
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2020

	Note	2020 £	2019 £
TURNOVER	2	5,351,276	4,935,562
Operating expenditure	2	(5,326,739)	(4,667,722)
Other operating income	2	33,308	-
		<hr/>	<hr/>
OPERATING SURPLUS	6	57,845	267,840
Interest receivable	4	2,687	1,087
Interest and financing costs	5	(3,493)	(3,874)
		<hr/>	<hr/>
SURPLUS BEFORE AND AFTER TAX		57,039	265,053
		<hr/>	<hr/>
SURPLUS FOR THE YEAR		57,039	265,053
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		57,039	265,053
		<hr/> <hr/>	<hr/> <hr/>

The company results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

YMCA North Staffordshire Ltd.

STATEMENT OF FINANCIAL POSITION

at 31 March 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Housing properties	10	13,235,963	12,374,210
Other fixed assets	10a	419,084	345,574
Investment in subsidiaries	11	-	-
		13,655,047	12,719,784
CURRENT ASSETS			
Stock	12	1,843	1,843
Trade and other debtors	13	256,290	253,068
Cash and cash equivalents		2,592,781	996,123
		2,850,914	1,251,034
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	14	(1,014,921)	(715,978)
NET CURRENT ASSETS		1,835,993	535,056
TOTAL ASSETS LESS CURRENT LIABILITIES		15,491,040	13,254,840
Creditors: Amounts falling due after more than one year	15	(12,499,718)	(10,262,926)
Provisions for liabilities			
Pension provision	18	(103,342)	(116,436)
TOTAL NET ASSETS		2,887,980	2,875,478
RESERVES			
Income and expenditure reserve	19	2,121,347	2,075,808
Designated reserve	19	680,798	660,029
Restricted reserve	19	85,835	139,641
TOTAL RESERVES		2,887,980	2,875,478

The financial statements on pages 14 to 36 were approved by the board of directors and authorised for issue on 01.02.2021 and are signed on its behalf by:

GC Handforth
Director



B Sumner
Director



Company Registration No: 04804681

YMCA North Staffordshire Ltd.

STATEMENT OF CHANGES IN RESERVES

for the year ended 31 March 2020

	Income and expenditure reserve £	Designated reserve £	Restricted reserve £	Total £
Balance at 1 April 2018	1,895,755	613,084	220,369	2,729,208
Surplus for the year	265,053	-	-	265,053
Transfer from statement of comprehensive income to restricted reserves	-	-	(80,728)	(80,728)
Transfer from statement of comprehensive income to designated reserves	(85,000)	46,945	-	(38,055)
Balance as at 31 March 2019	2,075,808	660,029	139,641	2,875,478
Surplus for the year	57,039	-	-	57,039
Transfer from statement of comprehensive income to restricted reserves	-	-	(53,806)	(53,806)
Transfer from statement of comprehensive income to designated reserves	(11,500)	20,769	-	9,269
Balance at 31 March 2020	2,121,347	680,798	85,835	2,887,980

YMCA North Staffordshire Ltd.

STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

	Note	2020 £	2019 £
OPERATING ACTIVITIES			
Net cash generated from operations	20	537,489	124,828
NET CASH GENERATED FROM OPERATING ACTIVITIES		537,489	124,828
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets	10-10a	(1,469,635)	(926,071)
Grants received	16	2,040,181	335,680
Interest received	4	2,687	1,087
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		573,233	(589,304)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of new borrowings		500,000	456,583
Repayments of borrowings		(14,064)	-
NET CASH USED IN FINANCIAL ACTIVITIES		485,936	456,583
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,596,658	(7,893)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		996,123	1,004,016
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	2,592,781	996,123

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

for the year ended 31 March 2020

LEGAL STATUS

YMCA North Staffordshire Ltd. is a company limited by guarantee and is an English registered social housing provider, charity and public benefit entity.

The address of the company's registered office and principal place of business is Edinburgh House, Harding Road, Hanley, Stoke-on-Trent, Staffordshire, ST1 3AE.

The company's principal activities and nature of the company's operations are included in The Report of the Board of Management.

The company has not prepared consolidated accounts on the basis of materiality of its subsidiary under Section 402 of the Companies Act 2006. Further details of its subsidiary are described in note 11.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and to comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

On 11 March 2020, the World Health Organisation declared the global coronavirus outbreak to be a pandemic. This has seen significant limitations placed on the movement of goods and people worldwide, with the United Kingdom implementing lockdown measures on 23 March 2020. The directors consider this to have no material effect on the ability of the company to meet its financial obligations.

When the COVID 19 pandemic restrictions were announced in March 2020 the Board instructed management to focus on maintaining the core of the charity. All non-essential expenditure was stopped. All Budgets are reviewed on a quarterly basis to consider any change in circumstances.

In terms of the basis for a going concern, the key issues are:

1. Housing is the core activity of the charity and is stable and financially viable
2. Regarding contract activities our operating model ensures that when funding for a contract ends the associated costs related to that contract also come to an end. Reserves are only ever used as a bridge to new funding agreed.
3. The Board and management have experience in dealing with uncertainty.

The Charity has prepared detailed budgets and cash flow forecasts for the period ending 31st March 2022. In order to mitigate the impact of the COVID-19 crisis, a review of each cost centre within the charity has taken place with particular focus on cost centres that rely upon short term contract income. This review has considered the most pessimistic position where Income has not been confirmed.

The Board has reviewed the covenants on the existing loan with Unity Trust Bank and remains confident that all covenants can be fulfilled. This arrangement consists of three loans of £ 500k for properties in the community secured on those properties and is fully drawn down.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

for the year ended 31 March 2020

The cash position of the charity is positive and will remain so throughout 2021-22 with the support of a loan from Charity Bank to support the completion of the Development of 46 additional units of accommodation. This loan is currently at the legal stage with both parties having signed the agreement on 12/01/2021. The loan will be drawn down monthly from applications submitted by the contractor once approved.

GOING CONCERN (continued)

The Board does recognise that the unprecedented level of uncertainty caused by Covid-19 and rapidly changing circumstances mean that the judgements and estimates required by management are more challenging than under normal circumstances. The Board has considered the increased pressure on income streams brought about by the pandemic and has concluded that given the financial performance of the current housing projects and the ability to quickly adapt to changes in contract funded activities that a concern basis remains appropriate for the preparation of these financial statements. For this reason, the Board do not consider there to be a material uncertainty on the Charity's ability to operate as a going concern.

TURNOVER AND REVENUE RECOGNITION

Turnover comprises rental and service charge income receivable in the period, and revenue grants receivable in the period from local authorities and the Homes England. Turnover is recognised net of VAT, where applicable.

All rental income is recognised in the period it which is has been earned, this includes actual receipts and also estimates of income receivable for training income that is reconciled at the end of the academic year.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

SERVICE CHARGES

Service charges are made to tenants weekly, the eligible portion predominantly being paid through Housing Benefit and the ineligible charges being collected directly from the tenant.

OTHER INCOME

Interest income

Interest income is accrued on a time-apportioned basis and credited to the income and expenditure account in the period.

APPORTIONMENT OF EXPENSES

Administration and operating costs have been apportioned to the housing and non-housing activities on the basis of costs directly related to the activities dealt with in these financial statements.

TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

Housing properties are properties for the provision of social housing and are principally properties available for rent. Completed housing is stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Major refurbishment of existing housing is charged to capital and depreciated over the unexpired life of the asset. Major repairs are charged against revenue and an equivalent release from the major repairs reserve is completed. Planned maintenance, minor repairs and redecoration are charged to expenditure in the year that they occur.

On disposal of housing property, an application is made to the Homes and Communities Agency ('Homes England') for consent. Any outstanding Social Housing Grant (SHG) is recycled in accordance with the Homes England regulations.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

for the year ended 31 March 2020

DONATED LAND AND OTHER ASSETS

Land or other assets which have been donated by a government source is added to cost of assets at the fair value of the land at the time of the donation. The difference between the fair value of the asset donated and the consideration paid is treated as a non-monetary government grant and included within the Statement of Financial Position as a liability. The terms of the donation are considered to be performance related conditions. Where the donation is not from a public source, the value of the donations less the consideration is included in income.

GOVERNMENT GRANTS

Government grants include grants receivable from the Homes and Communities Agency (“Homes England”), local authorities and other government bodies.

Government grants are utilised to reduce the capital costs of the housing properties, including land costs. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from the Homes England or received in advance is included as current assets or liability. SHG received in respect of revenue expenditure is accounted for in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the Homes England. SHG released on the sale of a property is normally available to be recycled.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset, even if the fair value of the grant exceeds the carrying value of the structure in the financial statements.

OTHER GRANTS

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

DEPRECIATION OF HOUSING PROPERTIES

Freehold land is not depreciated.

The company separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Housing structure	-	50 years straight line
Roofs	-	30 years straight line
Lifts	-	20 years straight line
Kitchens	-	20 years straight line
Windows and external doors	-	25 years straight line
Central heating and air con systems	-	25 years straight line
Internal walls and doors	-	20 years straight line
Finishes	-	15 years straight line
Furniture and fittings	-	15 years straight line
Bathroom and appliances	-	10-15 years straight line

Depreciation is charged on assets in the first full year of use.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

for the year ended 31 March 2020

OTHER TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value over its expected useful life, as follows:

3G Pitch, Fixtures, furnishings and office equipment	-	3 to 10 years straight line
Car park	-	50 years straight line
Motor vehicles	-	33% reducing balance on a monthly basis

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

ASSETS UNDER THE COURSE OF CONSTRUCTION

Assets under the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

FIXED ASSET INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

STOCKS

Stocks represent raw materials and consumables, and are valued at the lower of cost and net realisable value.

TAXATION

YMCA North Staffordshire Ltd. has charitable status and is registered with the Charities Commission and is therefore exempt from paying Corporation Tax on charitable activities.

VALUE ADDED TAX

The company is registered for value added tax. A proportion of its income is exempt from VAT. The expenditure relating to this income is subject to VAT which cannot be reclaimed; this expenditure is therefore shown inclusive of VAT.

Partial exemption has been applied to management expenditure. Each quarter input tax recovery is limited to the percentage of total income that is business income. VAT recovered through partial exemption rules is credited to the income and expenditure account.

The balances of VAT payable and recoverable at the year end are included as a current asset or liability.

LEASES

The company as lessee – operating leases

All leases are operating leases and the annual rentals are charged to income and expenditure on a straight line basis over the lease term.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

for the year ended 31 March 2020

RETIREMENT BENEFITS

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

As described in note 22, YMCA North Staffordshire Ltd. has a contractual obligation to make pension deficit payments of £16,587 per annum over the period to April 2027; accordingly this is shown as a liability in note 18 of these financial statements.

In addition YMCA North Staffordshire Ltd. is required to contribute £2,319 per annum to the operating expenses of the pension plan and these costs are charged to the Statement of Comprehensive Income as made.

The company also participates in a stakeholder pension scheme where the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

for the year ended 31 March 2020

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROVISIONS

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Provisions relate to an agreement by YMCA North Staffordshire Ltd. to contribute to a historic funding deficit of YMCA England's pension scheme over a period of time.

RESERVES

Income and expenditure reserve

The company's policy is to maintain a prudent level of reserves to insure against future liabilities.

Reserves are also used for activities to assist the association to achieve its strategic purpose of helping people recover a sense of self-worth and live in cohesive communities.

In particular, reserves will be used to ensure that development and maintenance are to the highest standard to provide housing quality that demonstrates how highly the company values its customers.

The directors continually assess the needs of customers and provide a range of short and long term housing and support services that are innovative, continually improving our capabilities, people and performance.

Designated Reserve

Funds are designated by the company for particular purposes (see note 19).

Restricted Reserve

The Company has a restricted reserve which is held under the terms of a contract with a funder and can only be applied to revenue with their authority. Reserves that are shown as restricted have conditions as to their usage attached and are therefore not available as a surplus reserve.

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The YMCA is still operating in a changing environment due to continued changes in social policy. In making our assumptions for income and expenditure the board monitors the external environment carefully, we work closely with both the local authority and YMCA England Policy Team when making our financial assumptions. The current projections are based upon the latest information that we have and all forecasts are reviewed on a quarterly basis and updated for potential changes.

The rate used to discount benefit obligations to their present value is based upon market yields for high quality corporate bonds with terms consistent with those of the benefit obligations. Our commitment to the YMCA Pension Plan of £116,110 (2019: £132,697) for the next 10 years has been discounted at a rate of 3% amounting to a net present value of £103,342 at 31 March 2020 (2019: £116,436).

Critical areas of judgement

All housing properties are included in the financial statements as property, plant and equipment and stated at cost less accumulated depreciation and impairment losses. The company regularly reviews and assesses the carrying value of its social housing properties for any indication of impairment. In making the judgement, management consider the detailed criteria set out in the Housing SORP and would recognise such changes in the financial statements as necessary.

The board deem that the accounts of the subsidiary company are immaterial and have therefore not been consolidated on this basis.

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

2 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2020				2019		
	Turnover	Operating costs	Other operating Income	Operating surplus	Turnover	Operating costs	Operating surplus
	£	£	£	£	£	£	£
Income and expenditure from social housing lettings	2,881,593	(2,595,936)	25,000	310,657	2,537,112	(2,091,042)	446,070
Non-Social Housing Activities	2,469,683	(2,730,803)	8,308	(252,812)	2,398,450	(2,576,680)	(178,230)
	<u>5,351,276</u>	<u>(5,326,739)</u>	<u>33,308</u>	<u>57,845</u>	<u>4,935,562</u>	<u>(4,667,722)</u>	<u>267,840</u>

Particulars of income and expenditure from social housing lettings	2020 £	2019 £
TURNOVER FROM SOCIAL HOUSING LETTINGS		
Rents receivable net of voids	2,179,978	2,025,778
Service charges receivable	87,382	97,723
NET RENTAL INCOME	2,267,360	2,123,501
Supporting people grant receivable	612,755	411,034
Other income	1,478	2,577
TURNOVER FROM SOCIAL HOUSING LETTINGS	2,881,593	2,537,112
EXPENDITURE ON SOCIAL HOUSING LETTINGS		
Direct property management costs	1,637,748	1,379,986
Administrative costs	920,282	673,438
Bad debts	20,063	32,715
Loan interest	17,843	4,903
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	(2,595,936)	(2,091,042)
OTHER OPERATING INCOME		
Insurance claims receivable	25,000	-
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	310,657	446,070
Rent losses due to voids	153,431	155,624

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

3 ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

	2020	2019
	units	units
General needs housing		
- Affordable rent	35	25
Supported housing	118	118
	<hr/>	<hr/>
TOTAL UNITS IN MANAGEMENT	153	143
	<hr/>	<hr/>

4 INTEREST RECEIVABLE

	2020	2019
	£	£
Interest on bank deposits	2,687	1,087
	<hr/>	<hr/>

5 INTEREST AND FINANCING COSTS

	2020	2019
	£	£
Unwinding of discount on pension provision	3,493	3,874
	<hr/>	<hr/>

6 OPERATING SURPLUS

	2020	2019
	£	£
Operating surplus is stated after charging:		
Depreciation of housing properties	425,181	403,075
Depreciation of other tangible fixed assets – owned	109,191	88,954
Operating lease rentals:		
Other	260	560
Auditor’s remuneration – audit	11,700	11,500
	<hr/>	<hr/>

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

7	EMPLOYEES	2020	2019
		Number	Number
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Office and management	20	20
	Housing support and care	85	85
	Development	73	54
		178	159
	Staff costs for the above persons:	2020	2019
		£	£
	Wages and salaries	2,885,072	2,634,807
	Social security costs	211,046	188,154
	Other pension costs	88,085	69,313
		3,184,203	2,892,274
	The full time equivalent number of staff who received remuneration (excluding directors):	2020	2019
		Number	Number
	£70,001 - £80,000	1	-
	£60,001 - £70,000	2	1
	£50,001 - £60,000	2	-
		5	1
8	BOARD MEMBERS AND EXECUTIVE DIRECTORS		
	The total remuneration of the key management personnel of the Company was £402,710 (2019: £364,550).		
9	TAXATION		
	The company is a registered charity and therefore it is exempt from corporation tax on income and gains falling within chapter 3 Part 11 of the Corporation Taxes Act 2010 or S256 Taxation of Chargeable Gains Act 1992 (TCGA 1992) to the extent that these are applied to its charitable objects.		

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

10	TANGIBLE FIXED ASSETS – HOUSING PROPERTIES	Social housing properties held for letting £	Social housing properties under the course of construction £	Other property £	Total £
	COST				
	1 April 2019	9,934,790	-	6,065,791	16,000,581
	Additions	557,435	729,499	-	1,286,934
	Transfer	(29,460)	29,460	-	-
	31 March 2020	10,462,765	758,959	6,065,791	17,287,515
	DEPRECIATION				
	1 April 2019	2,622,037	-	1,004,334	3,626,371
	Depreciation charged in year	281,591	-	143,590	425,181
	31 March 2020	2,903,628	-	1,147,924	4,051,552
	CARRYING AMOUNT				
	31 March 2020	7,559,137	758,959	4,917,867	13,235,963
	31 March 2019	7,312,753	-	5,061,457	12,374,210
	EXPENDITURE ON WORKS TO EXISTING PROPERTIES			2020	2019
				£	£
	Improvement work capitalised			7,322	709,495
	EXPENDITURE ON WORKS TO EXISTING PROPERTIES			2020	2019
				£	£
	Total cumulative amounts received or receivable at 31 March:				
	Capital grant			15,260,790	13,220,610

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

10a TANGIBLE FIXED ASSETS – OTHER

	3G Pitch, fixtures, furnishings and office equipment £	Car park £	Motor vehicles £	Total £
COST				
1 April 2019	1,200,614	12,383	98,841	1,311,838
Additions	182,701	-	-	182,701
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2020	1,383,315	12,383	98,841	1,494,539
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
1 April 2019	908,387	3,375	54,502	966,264
Depreciation charged in year	96,539	248	12,404	109,191
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2020	1,004,926	3,623	66,906	1,075,455
	<hr/>	<hr/>	<hr/>	<hr/>
CARRYING AMOUNT:				
31 March 2020	378,389	8,760	31,935	419,084
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2019	292,227	9,008	44,339	345,574
	<hr/>	<hr/>	<hr/>	<hr/>

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

11 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertaking £
COST	
1 April 2019 and 31 March 2020	50,100
PROVISION FOR IMPAIRMENT	
1 April 2019 and 31 March 2020	50,100
CARRYING AMOUNT	
31 March 2020	-
31 March 2019	-

The Company's subsidiary undertaking is:

<i>Name of undertaking</i>	<i>Nature of business</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held directly</i>
YMCA North Staffs Trading Ltd	Retail	Ordinary	100%

YMCA North Staffs Trading Ltd is not consolidated in these financial statements as its inclusion is not material to giving a true and fair view.

The registered office of the subsidiary undertaking is Edinburgh House, Harding Road, Hanley, Stoke-on-Trent, Staffordshire, ST1 3AE.

12	STOCK	2020 £	2019 £
	Raw materials and consumables	1,843	1,843

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

13	DEBTORS	2020	2019
		£	£
	<i>Amounts falling due within one year:</i>		
	Rent and services receivable	153,108	125,726
	Provision for bad and doubtful debts on rents and services receivable	(16,413)	(601)
		136,695	125,125
	Other debtors	75,718	107,066
	Prepayments and accrued income	43,877	20,877
		256,290	253,068

During the year, an impairment loss of £46,179 (2019: £62,895) was recognised in respect of the group debtor.

14	CREDITORS: Amounts falling due within one year	2020	2019
		£	£
	Bank loans	30,677	2,983
	Deferred capital grants (see note 16)	257,915	278,574
	Trade creditors	25,258	36,058
	Other taxation and social security	65,003	56,531
	Other creditors	141,296	112,389
	Accruals and deferred income	494,772	229,443
		1,014,921	715,978

Health Zone – A grant of £40,090 (2019: £40,090) was received during the year to run health zone activities. At the end of the year £3,346 (2019: £5,026) had not been spent and this has been reserved in a control account within accruals and deferred income in the financial statements.

15	CREDITORS: Amounts falling due after more than one year	2020	2019
		£	£
	Bank loan	911,842	453,600
	Deferred capital grants (see note 16)	11,587,876	9,809,326
		12,499,718	10,262,926

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

15 CREDITORS: Amounts falling due after more than one year (continued)

Included in creditors are:

	2020	2019
	£	£
Amounts repayable by instalments falling due after more than five years	762,255	375,415

The bank loan agreements specify that interest on the loans are charged at a rate of 2% per annum above the banks base rate. The base rate at 31 March 2020 is 0.1%.

The bank loans are secured by a fixed charge against the properties of the company.

16 DEFERRED CAPITAL GRANTS	2020	2019
	£	£
As at 1 April	10,087,900	10,031,267
Grants received in the year	2,040,181	335,680
Capital grants released	(282,290)	(279,047)
As at 31 March	11,845,791	10,087,900

Included within capital grants is The Big Lottery Fund “My Place” grant which is secured by a legal mortgage charge over the freehold land on the north east side of Harding Road, Hanley, Stoke-on-Trent. Should the YMCA breach any of the grant conditions, the grant will be repayable at a rate equal to 4% per annum above the Lloyds TSB Bank plc. base rate.

17 FINANCIAL INSTRUMENTS	2020	2019
	£	£
Financial assets:		
Debt instruments measured at amortised cost	212,413	232,192
Financial liabilities:		
Measured at amortised cost	1,603,846	834,473

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

18	PROVISION FOR LIABILITIES	Pension deficit £
	As at 1 April 2019	116,436
	Utilised in the year	(16,587)
	Unwinding of discount	3,493
	As at 31 March 2020	103,342

The YMCA England's Pension Plan provider represents the net present value of the commitment to the multi-employer pension scheme in respect of past deficits. There is an agreement by YMCA North Staffordshire Ltd. to contribute to an historic funding deficit of YMCA England's pension scheme over a period of time (see note 22).

19 SHARE CAPITAL AND RESERVES

SHARE CAPITAL

The Company is limited by guarantee and consequently has no share capital. Each of the company's members agrees to contribute £1 in the event of the company winding up.

RESERVES

Reserves of the company represent the following:

Income and expenditure reserve

The company's policy is to maintain a prudent level of reserves to insure against future liabilities.

Reserves are also used for activities to assist the association to achieve its strategic purpose of helping people recover a sense of self-worth and live in cohesive communities.

In particular, reserves will be used to ensure that development and maintenance are to the highest standard to provide housing quality that demonstrates how highly the company values its customers.

The directors continually assess the needs of customers and provide a range of short and long term housing and support services that are innovative, continually improving our capabilities, people and performance.

Designated reserves

Childtalk - to support the development of families and communities staying connected. The designated reserve figure of £40,735 (2019: £19,834) is money that was transferred to YMCA North Staffordshire Ltd. when Contact First joined YMCA North Staffordshire Ltd. The Board agreed that this money should be designated to support that area of work. It has been agreed that this money be used to assist the Family Services Department to make the transition caused by legislative changes in the commissioning of child contact assessment work.

The Green Apprentices Trust - this money was donated to the YMCA. The Board has designated this money to provide a source of funding for new ideas to improve services and to generate new ones.

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

19 SHARE CAPITAL AND RESERVES (continued)

Maintenance reserve - the YMCA had a major development programme between 2008 and 2013 which over time will result in increased costs for maintenance and major repairs. The board feels that it is important to highlight this and work to ensure that any future costs can be met. The Charity has had an independent report produced to predict as accurately as possible the cost of future planned and major repairs and guide our long-term maintenance programme. To date the Board has designated £563,148 to this reserve and will monitor the reserve annually.

Restricted reserves

Reserves that are shown as restricted, all have conditions as to their usage attached and therefore, are not available as a surplus reserve.

Big Lottery - it was a requirement of the Big Lottery Grant Fund to provide details of any amounts held within restricted reserves relating to the Fund. A grant of £306,808 (2019: £229,591) was received in the year. Against this grant expenditure of £295,021 (2019: £187,408) was incurred during the year.

A reserve of £85,835 (2019: £139,641) was held in restricted reserves at the end of the year.

20 RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

	2020 £	2019 £
Surplus for the year	57,039	265,053
Adjustments for:		
Depreciation of tangible fixed assets	534,372	492,029
Release of restricted and designated reserves	(44,537)	(118,783)
Defined benefit pension scheme	(16,587)	(16,589)
Capital grants released	(282,290)	(279,047)
Interest receivable	(2,687)	(1,087)
Interest payable	3,493	3,874
Operating cash flow before movements in working capital	248,803	345,450
(Increase)/ decrease in trade and other debtors	(3,222)	72,921
Increase/ (decrease) in trade and other creditors	291,908	(293,543)
Cash generated from operations	537,489	124,828
CASH AND CASH EQUIVALENTS	2020 £	2019 £
Cash and cash equivalents represent:-		
Cash at bank	2,592,781	996,123

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

21 COMMITMENTS UNDER OPERATING LEASES

The company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for fixed assets are as follows:

	2020	Other
	£	2019
		£
Amounts due:		
Within one year	163	260
Between two and five years	-	163
	163	423

22 RETIREMENT BENEFITS

YMCA North Staffordshire Ltd. 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 YMCA North Staffordshire Ltd. 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%, 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.

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA North Staffordshire Ltd. and accordingly the pension deficit is not shown on the balance sheet.

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 2014 showed that the YMCA Pension Plan had a deficit of £33.6 million. YMCA North Staffordshire Ltd. has been advised that it will need to make monthly contributions of £1,382 from 1 May 2019. 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 18 years, commencing 1 May 2019.

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

22 RETIREMENT BENEFITS (continued)

		Repayable				
	Within one year £	One to two years £	Two to five years £	After five years £	Total 2020 £	Total 2019 £
As at 31 March 2020	13,487	13,891	44,225	31,739	103,342	
As at 31 March 2019	13,094	13,487	42,937	46,918		116,436

In addition, YMCA North Staffordshire Ltd. 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 YMCA North Staffordshire Ltd. may be called upon to pay in the future.

The company also participates in a stakeholder pension scheme for other employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £88,085 (2019: £69,313). Contributions of £10,290 (2019: £nil) were payable to the fund at the year end.

23 RELATED PARTY TRANSACTIONS

A Board Member provides the Association with HR support on a consultancy basis. During the year a total of £3,300 (2019: £3,900) was paid to this Board member. At 31 March 2020 £300 (2019: £300) was outstanding.

A Board Member and Chairperson are common directors of The Ideas Facility Limited. During the year The Ideas Facility Limited provided training sessions totalling £5,280 (2019: £nil). At the year end no amounts were due to The Ideas Facility Limited (2019: £nil).

The wife of the chairperson provides the association with consultancy work. During the year a total of £nil (2019: £214) was paid to them. At 31 March 2020 no amounts were outstanding (2019: £nil).