

Registered company:	4430743
Registered charity:	1102301
Registered housing provider:	H4418

**ONE YMCA
(LIMITED BY GUARANTEE)**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

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CORPORATE INFORMATION

TRUSTEE BOARD AND BOARD OFFICERS

Chair	Andrew Newell
Vice Chair:	Nicholas Maurant
Treasurer:	Nicholas Maurant
Trustees:	John Ball Max Beddard Simon Box Jane Cotton Clare Hearnshaw (to 9 November 2020) Ben Johnson (to 31 December 2020) John Knight Nicola Lucas Nicholas Maurant Andrew Newell Sal Thirlway Javier Uriarte Nicola Grinstead Alan Victor John Robinson (from 20 July 2020)
Company Secretary:	Jonathan Kalemera

CORPORATE INFORMATION

Registered company:	4430743
Registered charity:	1102301
Registered housing provider:	H4418
Registered office:	Charter House, Charter Place, Watford, Hertfordshire, WD17 2RT

EXECUTIVE MANAGEMENT TEAM

Chief Executive	Guy Foxell
Director of Family Services	Serreta Pritchard
Director of Operations	Mark Turner
Director of Business Development	Michael Howe
Director of Corporate Services	Jonathan Kalemera

AUDITORS, BANKERS, INVESTMENT MANAGER AND SOLICITORS

Auditor (External)	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG
Auditor (Internal)	BDO (UK) LLP, 55 Baker Street, London, W1U 7EU
Bankers:	HSBC Plc, 44-52 Lattimore Road, St Albans, Hertfordshire, AL1 3XL
Investment manager:	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Solicitors:	Bates Wells Braithwaite LLP, 10 Queen Street Place, London, EC4R 1BE

REPORT OF THE TRUSTEE BOARD

The Trustee Board presents its annual report together with the audited financial statements for the year ended 31 March 2021.

Organisation

The Group operates out of a number of centres across Hertfordshire, Bedfordshire and Buckinghamshire.

The Company is structured by department according to the main service delivery areas which include:

- Accommodation,
- Family work (nursery and children's centres),
- Health and wellbeing,
- Support and advice (youth work and community centre),
- Corporate services (including finance, human resources, safety & compliance and ICT).

The Executive Team consists of the Chief Executive and Executive Directors who report to the Trustee Board and the relevant sub committees covering the main functions.

The national structure of the YMCA Federation allows for further support and, in particular, national policy development.

Trustee Board

The Trustee Board is responsible for the overall governance of the Group. Those who have served during the year are set out on page 3. They hold a dual role of being trustees of a registered charity as well as being directors for the purposes of the Companies Act.

In accordance with the Articles of Association, Trustees serve for a three-year term. At every Annual General Meeting, a number of the members of the Trustee Board retire from office on a rotational basis. The members of the Trustee Board to retire are those who have been longest in office since their last election or appointment. A retiring member of the Trustee Board shall be eligible for re-election for a second and third full-term, but then having served a third term, must stand down as an elected member for a period of one year. Trustees only serving for a maximum of nine years is our stated policy but in extremis could be overruled by the Board of Trustees with explanation provided.

During the period since the last report, John Robinson was welcomed as a new trustee. Also, Clare Hearnshaw and Ben Johnson stood down as Trustees. A Trustee Board Chair review and feedback process was facilitated by the Chair of the Governance & People Committee.

Strategic management

The Trustee Board is responsible for setting an appropriate strategy for the Group. It also ensures that relevant performance measures are in place.

During the year, the Trustee Board:

- Held a special meeting to lead and guide the strategy for doubling our impact by 2025 under Mission 25 whilst dovetailing with an overarching business plan,
- Reviewed terms of reference for the Trustee Board, Early Childhood Partnership and all committees,
- Established the Property Development Committee to replace the Peartree Working Group due to the increase in the number of development projects,
- Reviewed the Code of Governance compliance arrangements,
- Reviewed its key policies along with its financial, investment and people strategies,
- Undertook succession planning work with regard to both the Trustee Board itself and in respect of key staff,

ONE YMCA

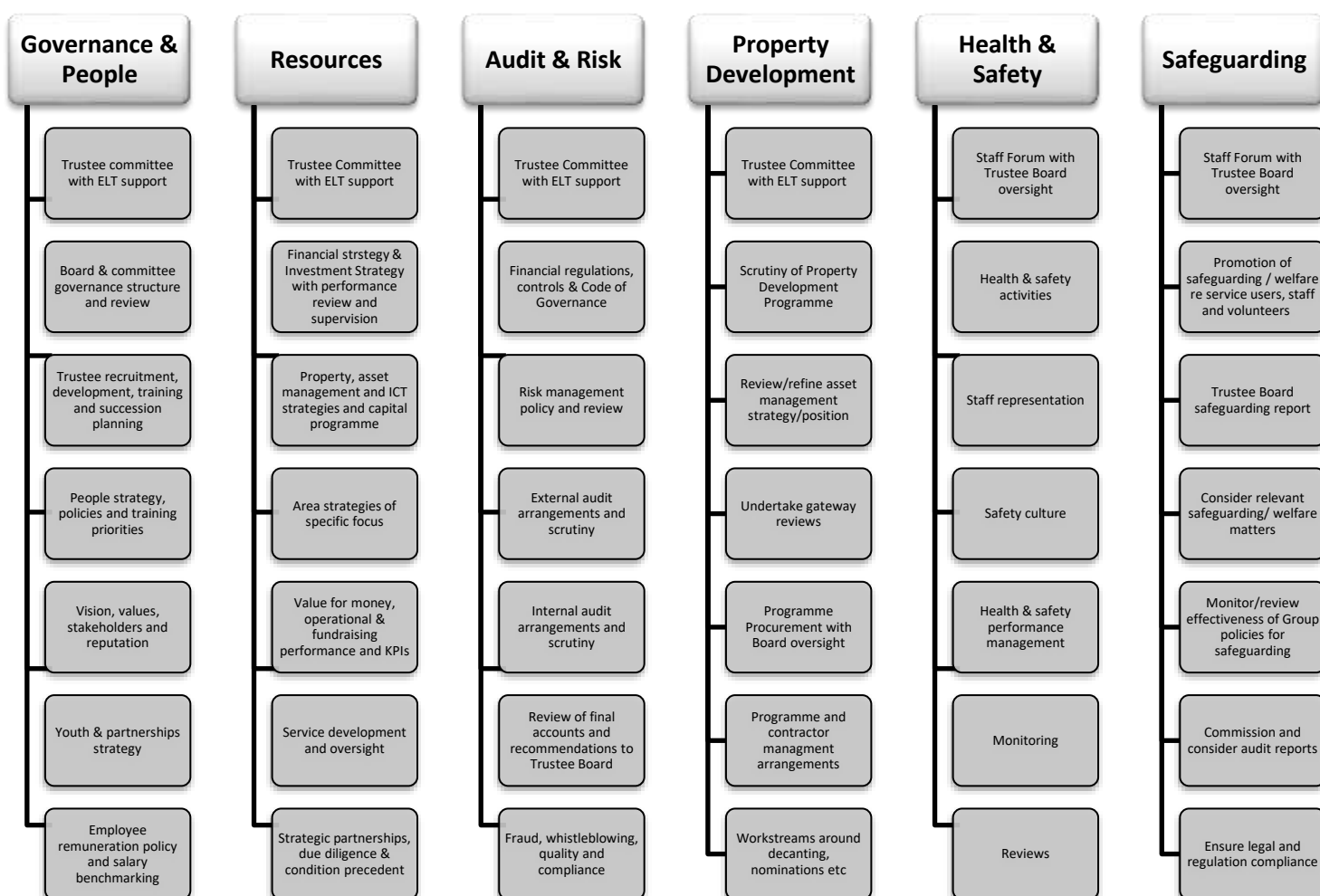
Report and financial statements for the year ended 31 March 2021

- Ensured that group policies and control frameworks such as financial regulations applied on a group basis, and
- Worked with the Executive to implement a plan for mitigating the impact of the Coronavirus pandemic.

The Trustee Board is represented on the Early Childhood Partnership Trustee Board.

The Trustee Board utilises a committee structure to undertake some of the detailed work of supervising the activities of the Group in between Trustee Board meetings. The structure is set out in the following matrix on page 6.

ONE YMCA - TRUSTEE BOARD



EARLY CHILDHOOD PARTNERSHIP - TRUSTEE BOARD

Each committee reports its progress to the Trustee Board on a regular basis and has established terms of reference.

ONE YMCA

Report and financial statements for the year ended 31 March 2021

As at 31 March 2021, the membership of each committee was as follows:

Governance & People	Resources	Audit & Risk	Property Development	Health & Safety	Safeguarding Forum
Jane Cotton (Chair)	Nick Maurant (Chair)	John Ball (Chair)	John Knight (Chair)	John Robinson	Sal Thirlway
Simon Box	Nicola Lucas	Max Beddard	Nick Maurant	Director of Operations (Chair)	Director of Family Support (Chair)
Nicola Grinstead	John Knight	Nick Maurant	John Ball	Executive team	Service representatives
	John Robinson	John Robinson	John Robinson	Service representatives	
			Jane Cotton		

In addition, Sal Thirlway (Chair) and Alan Victor served on the Early Childhood Partnership trustee board.

Recruitment of members of the Trustee Board

Members of the Trustee Board are recruited by diverse means with sources including:

- A specialist search agency was engaged to recruit Board Chair and Treasurer,
- Trustee recruitment exercises via national voluntary press and volunteering websites,
- Recommendation from partner organisations,
- Stakeholders,
- Contacts made by staff members and members of the Trustee Board.

The Governance and People Committee agreed a standard job description for trustees. All trustees are interviewed by a panel of Board members. Any preferred candidates initially attend a trustee meeting as observers and, if that meets the expectations of all, then co-option follows. New Trustees are inducted into the Group using an agreed framework and ongoing training is provided through a combination of: trustee updates, attendance at charity conferences / training events and bespoke training. A number of the Trustees also serve, or have served as Trustees of other charities and housing associations which broadens the available skills base and the exposure to training and best practice of the social housing and charity sectors. The Governance & People Committee regularly reviews the trustee skills matrix and identifying future needs.

Executive Leadership Team

The Executive Management Team are the senior staff that manage the Group's operations and comprise the Chief Executive who is supported by Director of Operations, Director of Family Support, Director of Business Development and the Director of Corporate Services. They act within the authority delegated by the Trustee Board.

Employees

The Group recognises the strength of its employees who are committed to the objectives that serve the best interests of its residents and service users. The Group shares information on its objectives, progress and activities through regular management and staff departmental meetings. In addition, an annual staff conference allows the celebration of success, the generation of ideas and positively engages with staff.

The Group is committed to equal opportunities in recruitment, retention and throughout the employee lifecycle.

Gender pay reporting

The Charity has adopted the Living Wage Foundation's Real Living Wage as the baseline for its employees who are engaged on a permanent contract of employment and are not apprentices or retained under TUPE provisions. Moreover, for many years, the Charity has utilised an established job evaluation scheme to ensure that all job roles are properly assessed against an equal pay criteria. The overall workforce gender split is 73% female and 27% male (2020: 74% / 26%).

The gender pay reporting principles demonstrate the following position as a snapshot on 5 April 2021 was:

- Mean gender pay gap – 19% (2020: 10%)
- Median gender pay gap – 2% (2020: Nil)
- Mean bonus gender pay gap – Insufficient data
- Median bonus gender pay gap – Insufficient data
- Proportion of males and females in each quartile pay band –
 - Top quartile – 29% male & 71% female (2020: 39% / 61%);
 - Upper middle quartile – 15% male & 85% female (2020: 14% / 86%);
 - Lower middle quartile – 26% male and 74% female (2020: 33% / 67%);
 - Lower quartile – 32% male and 68% female (no change from 2020)

As at the date of this report, the Charity's management arrangements remain unchanged at 80% male and 20% female at an Executive Leadership level. At the wider Senior Leadership Team level (including ELT), the split is 59% male and 41% female (2020: 64% / 36%), indicating a more balanced leadership team overall in terms of roles held.

Compliance with taxation

The Group is committed to conducting its business with the utmost integrity, transparency and fairness, and in compliance with all relevant rules, regulations and legislation. It values its reputation for ethical behaviour, financial probity and, as a charity, it unequivocally condemns tax evasion in whatever form. The Group will not tolerate tax evasion, or the facilitation thereof, whether committed by or facilitated by staff, suppliers or funders. Moreover, the Group requires all staff to demonstrate the highest standards of honesty at all times and appropriate disciplinary action will be taken wherever tax evasion, or the facilitation thereof, has been proven.

The Group will not engage with any individual or business that does not share our commitment to the prevention of tax evasion. In pursuance of its general obligations, the Group will undertake due diligence on its suppliers to mitigate the risk of facilitation of tax evasion offences and will look to terminate any agreements with suppliers that are not committed to preventing facilitation of tax evasion in compliance with the Criminal Finances Act 2017.

Information security

The Company is committed to information security and continues to promote good and appropriate collection and use of data and information. The Company has invested in staff training, new technology and uplifted its working practices. Both One YMCA and Early Childhood Partnership have the Cyber Essentials accreditation. It is planned to uplift this to Cyber Essentials Plus by the third quarter of the next financial year. Information security is incorporated into the Company's internal audit rolling programme.

Indemnity insurance

The Group's insurance policies indemnify the Trustee Board and Officers against liability when acting for the Group providing their actions are not reckless or fraudulent.

Health and Safety

The Trustees are aware of their responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides staff training and education on health and safety matters. Due impact of the pandemic, the health and safety forum met on two occasions comprising of representatives of all service areas and meetings were chaired by the Director of Operations. We will revert back to quarterly meetings in the next financial year.

The Charity continues to invest in both its people, systems and buildings. In particular:

- a) During the year, on an interim basis, the previous roles of Head of Assets and Head of Safety & Compliance were combined under the Head of Asset Development & Compliance. The change has

provided the necessary authority to the new role to ensure that health and safety requirements are addressed more promptly. In the coming year the organisation-wide compliance arrangements will be under the newly created role of Head of Legal Services and Compliance and roles and responsibilities clearly documented,

- b) The Ultimate Manager IT system for compliance reporting was implemented,
- c) Ongoing fire safety reviews took place to ensure that the Company is best prepared to deal with its buildings,
- d) The recommendations of a BDO Safeguarding Review were substantially addressed during the year,
- e) We plan to appoint an outsourced competent person under the direction of the Head of Legal Services and Compliance in the following financial year.

Creditors' payments

The Group's aim is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Investment powers

In accordance with the Articles of Association, the Trustee Board may exercise the power to delegate to any person, company or other organisation any of the Group's powers of investment, administration or management of all or any part of the money and investments of the Group. Accordingly, the funds held as investments by the Group were managed on behalf of the Trustees by CCLA Investment Management Ltd. The Group has continued to adopt a conservative investment policy that seeks to balance capital preservation and achieving an appropriate return. The cyclical Investment Strategy review process was completed during the year with particular attention being paid to the ethical basis of investment management.

Public Benefit

The Trustee Board held service users at the heart of its approach to formulating the strategic objectives and associated strategies. In doing so, the Trustee Board referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning for the future. Through the work that the Group undertakes in its service areas, it delivers public benefit and serves a wide range of people, many of whom are vulnerable.

Complaints

Our clear and simple complaints policy is issued to all residents and available to all other service users. All complaints received are monitored by the Chief Executive to help ensure an appropriate and timely resolution and also to help identify any recurring issues that may require a different approach.

Donations

During the year, the Group made donations of £136,100 (2020: £45,000) to:

- a) New Hope - £26,000 to support a shared chaplaincy provision,
- b) Haven First - £79,100 for a complex needs / dual diagnosis worker for the following 12 months to fill a known gap in provision in their local area,
- c) Dignify (Youth Pornography Awareness Charity)- £10,000 for delivery of assemblies and counselling support to schools in SW Herts, plus YMCA youth clubs,
- d) Signpost - £10,000 to fund youth counselling,
- e) 21st Century Education Trust - £1,000,
- f) Project 229 - £10,000 to support Domestic Abuse work alongside our own work via ECP.

The Company made a donation to ECP for £150,000 (2020: nil) to be spread in equal amounts across the next three years, restricted to the service delivery and administration costs for existing and new activities delivered by ECP staff which help the wider Group "Double its Impact".

The trustees were satisfied that these donations further the organisation's charitable purposes.

Going Concern

In light of the uncertainties arising from the impact of the coronavirus pandemic the Trustees reviewed the group's financial position and financial forecasts for 2020/21 to test how those uncertainties might affect the entity's ability to continue as a going concern. The Executive produced a number of scenarios including the positive, realistic and severe scenarios modelling income and expenditure as well as cashflows over the foreseeable future. Since then, the Resources Committee has scrutinised financial information including cashflow forecasts to ensure the resilience of the Charity.

Specifically, Trustees reviewed the Group's levels of investment, reserves, cash, the pipeline of new income sources and the systems of financial control and risk management. As a result of this review, the Trustees believe that the group is well placed to manage external, operational and financial risks successfully.

Accordingly, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to support the going concern basis in preparing financial statements

Reserves Policy

Reserves that are unrestricted funds held by the Group should be sufficient to meet all payment obligations and to contribute to the Group fulfilling its aims and purposes. The target level of free reserves is determined annually, by the Trustees upon recommendation from the Resources Committee and must reflect the overall objectives of the Group's Financial Strategy and other plans.

The Trustees consider that the unrestricted funds should be classified into two categories:

- Unrestricted funds for earmarked projects, objectives and risks, and;
- Unrestricted funds that are free reserves held to cover working balances and payment obligations.

The reserves as at 31 March 2021 were as follows:

<u>Reserves</u>	<u>£</u>
Housing property revaluation reserve	5,381,819
Revenue reserve	10,690,900
Restricted reserve	-
Total unrestricted funds (revenue reserve)	<u>£16,072,719</u>

When taking these reserves into account, the revaluation reserve relates to accounting adjustments which are not cash based. The revenue reserve amounted to £10,690,900 of which free reserves total £6,458,352.

In determining the level of unrestricted funds held as free reserves to cover working balances and payment obligations, the Trustees have considered the following matters:

- Six months of salary and running costs are approximately £6 million, and
- Business interruption insurance cover is in place with a two-year indemnity period.

Accordingly, the Trustees consider it prudent to retain working balances of £2.5 million in cash and/or readily realisable unit trust investments that are not designated or earmarked in order to meet unforeseen risks or obligations. The Trustees are content with the current level of reserves.

Risk Management

The Audit & Risk Committee has delegated authority from the Trustee Board to ensure that an active risk management process is in place and forms part of the ongoing organisational activity. During the year, the Trustees reviewed its risk appetite along with its strategic risk register. The register identifies the types of risks the Group faces and prioritises them in terms of potential impact and likelihood of occurrence. The strategic risk register is a standing item at each Audit & Risk Committee and the Trustee Board reviews the strategic risks

on a regular basis. The Trustees are satisfied that the Group's internal financial controls comply in all material respects with the guidelines issued by the Charity Commission and Regulator for Social Housing and has established a separate internal audit function (carried out by an independent internal audit firm) to review risks on a rotational basis. The principal risk affecting the Group continues to be the uncertain external economic environment (compounded by the impact of the Coronavirus pandemic for some services) that could adversely affect income and the cost of the capital/development programme. The Trustees confirm that they have identified and understand the risks to which the Group is subject and that they are being actively managed.

During the year, the Trustees have undertaken a financial strategy review, considered various operating and sensitivity testing scenarios as detailed in the strategic report. These are reviewed on a periodic basis as part of Audit & Risk and Resources Committee work programmes.

Trustees have asked the Executive Leadership Team to develop and implement a stress testing framework in the next financial year in line with the Charity's growth programme under Mission 25.

Internal Controls Assurance

The Trustees acknowledge their overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss. One of the primary internal audit exercises during the year was to undertake an analytical review of the Health and Wellbeing system data integrity and the project to replace the system. BDO provided a moderate assurance over both the design and operational effectiveness of the controls in relation to the management of the system change project.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the year commencing 1 April 2020 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board-approved terms of reference and delegated authorities for Resources, Governance & People, Audit & Risk Committees, Property Development Committee, Health & Safety Forum and Safeguarding Forum,
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks,
- Formal recruitment policies for all staff,
- Established authorisation and appraisal procedures for significant new initiatives and commitments,
- Regular review of cash flow and treasury management by the Resources Committee,
- Reviewing the Register of assets and liabilities, and
- Regular reporting to the appropriate committee on key business objectives, targets and outcomes.

A fraud register is maintained and is reviewed by the Audit & Risk Committee on a regular basis. During the year, there were no findings of fraudulent activity.

The Board cannot delegate ultimate responsibility for the systems of internal control, but has delegated authority to the Audit & Risk Committee to regularly review the effectiveness of the system of internal control for the Group and the annual report of the internal auditor and has reported its findings to the Board.

The Audit & Risk Committee monitored the internal audit plan for the Group throughout the year.

Code of Governance

The Trustee Board is pleased to report that the Group complies with National Housing Federation's Code of Governance (2015). During the course of the year, the Audit & Risk Committee reviewed the compliance framework as well as approving the annual review of Financial Regulations and governance arrangements. As

ONE YMCA**Report and financial statements for the year ended 31 March 2021**

an evolving organisation, the Group will continue to review and develop its governance in order to best serve its beneficiaries.

Annual review of governance and viability standards

The Trustees have reviewed the governance and viability standards and confirm that the Group has complied with them.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEE BOARD FOR THE REPORT AND FINANCIAL STATEMENTS

General Financial Responsibilities

The Trustee Board is responsible for preparing the Report of the Trustee Board, the Operating and Financial Review and Strategic Report and financial statements in accordance with applicable law and regulations.

Company law requires the Trustee Board to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Trustees 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 the Group and the surplus or deficit of the Company and the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2014 update, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the Company's auditors is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors is aware of that information.

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

Annual General Meeting

The annual general meeting will be held on 11 October 2021.

The Report of the Trustee Board was approved by the Trustees on 19 July 2021 and signed on their behalf by:



Andrew Newell
Chair & Trustee

OPERATING & FINANCIAL REVIEW AND STRATEGIC REPORT

Introduction

The report and financial accounts for the year ended 31 March 2021 sets out the activities and achievements of the Charity.

Principal Activity

The Group's principal activity is that of the provision of supported accommodation for single men and women who are in conditions of need. In addition, the Group continues to deliver services to people of all ages offering the opportunity to take part in: children's services, health and wellbeing and youth work.

The Group's mission is to enable people to develop their full potential in body, mind and spirit. The mission is inspired by, and faithful to, Christian values to create a supportive and energising community that is open to all, where young people can truly belong, contribute and thrive.

BUSINESS AND FINANCIAL REVIEW

The 2020/21 year was impacted dramatically by the COVID19 situation, however despite this the Operations Directorate worked hard to identify, secure and capitalise on opportunities wherever presented and appropriate. Specific examples of innovative and strategic working from across Housing and Enterprise included:

- Active in-sector diversification to design and deliver 66 units of highly specialist rough-sleeper supported accommodation, securing £1.19m in revenue funding pa.
- Directly responding to local / central government call to action regarding COVID19 and being pivotal in ending rough sleeping in Watford.
- Creation of the seamless Dynamic Pathway to Independence, offering 5+1 distinct stages of aligned support and accommodation for those escaping homelessness.
- Mobilising Housing First scheme for 10 highly vulnerable / complex individuals in Watford with £316K funding secured over four years.
- Successfully securing £1.9m in capital funding to create 34 units of self-contained (step-down and move-on) accommodation for ex-rough sleepers.
- Award of planning permission for the Peartree Hostel redevelopment project in Welwyn Garden City, enabling the project to continue to move forwards to realisation.
- Identified and secured 53-unit site, with potential expansion to 100 units, to facilitate decant of the Peartree Hostel, enabling redevelopment.
- Secured 40-unit site to provide specialist high-complex (commissioned) supported housing service, attracting £4.6m in revenue funding over five years.
- Retention of the Hertfordshire HRS contract, at circa £1.02m annually, for a further 2 years until 31 March 2023.
- Provision of a C19 rapid testing service within the temporarily closed St Albans Gym space to support the local community.
- Maintained early-years provision for 215 children and families throughout the period, retaining revenue and enabling key-workers to support their communities.
- Negotiation and securing of circa £1.4m in COVID risk mitigation funding via various district and county level revenue streams to protect housing operations.
- Targeting and securing new market entry through the award of framework positions in Luton and Bedford for up to 24 units of 16-18-year-old transitional accommodation.

The Trustee Board supports these measures and the way that they can maximise the resources available for delivering the Group's objectives and serving beneficiaries.

Financial review

The Group returned an operating surplus on the Group's activities of £969,792 (2020: £339,968).

A surplus of £1,521,986 (2020: £296,689) was recorded for the Group after taking into account unrealised investment gain of £542,898 (2020: loss of £67,333) during the year. Total comprehensive income for the year was £1,521,986 (2020: £305,689).

The variance between the two years on a consolidated basis relates to:

- Increased social housing occupancy in 2020/21 compared to 2019/20.
- Recognising the unrealised gain in investment assets at the end of 2020/21.
- A reduction in income due to the closure of both gyms and community hubs throughout the financial year as a result of Covid19.
- A significant reduction in nursery income as a result of keeping the nurseries open for the benefit of key workers only.
- An increased investment in youth activities with a continued downturn in external funding.

The Group has continued to invest in front line service delivery to serve some of the most vulnerable people in the local community.

Within the 2020/21 year and despite the COVID19 situation the Trustee Board maintained Executive focus on delivering optimum performance and ongoing geographical and operational expansion of services. Through innovation and agility, the Operations Directorate achieved a number of key successes across Housing and Enterprise, with a few notable detractors in Enterprise, including:

- Increased revenue and surplus positions resulting from securing of circa £1.4m in COVID support / risk mitigation funding.
- Ongoing improvements in housing division occupancy at an annual average of 96.2% up 1% on previous year.
- Additional improvements in rental realisation with an annual average of 99.1% collection, up 2.6% on previous year.
- Strategic decision to close the Watford community gym to facilitate an expansion of the housing asset base, securing £1.9m in capital funding for development.
- Considerable impact across all areas of Health & Wellbeing, Early Years and Community HUBs due to mandatory COVID related closures through the period. In-Sector diversification to secure new market entry and existing market expansion through the provision of specialist rough-sleeper and move-on accommodation.
- Launch of the Dynamic Pathway to Independence, now recognised as the preferred model of homelessness prevention across Hertfordshire.
- Maintaining all housing division services throughout the COVID period enabling the provision of 185,030 nights of safe and secure sleep for vulnerable individuals.

On an ongoing basis, the Trustee Board is committed to achieving a surplus operating budget. With regard to the 2021/22 financial year, a surplus budget has been set.

The Group closely monitors its banking covenants and credit rating. Throughout the year, it was compliant with all covenant obligations.

Housing metrics

The Group has reviewed its metrics in accordance with the Value for Money Code of Practice. The core housing information is set out in the following table.

Metric	Definition	2021	2020
Business Health			
Operating Margin - Social Housing	Operating surplus or (deficit) from social housing lettings / turnover from social housing lettings	19%	6%
Operating Margin - Overall	Operating surplus or deficit overall / turnover overall	6%	2%
EBITDA MRI interest cover	Earnings before interest, tax, depreciation, amortisation, major repairs included Interest cover %	1798%	918%
Development			
New supply as a % of current units		0%	0%
Gearing*	Short term loans + long term loans - cash and cash equivalents + finance lease obligations / Tangible fixed assets: Housing properties at cost (current period)	-40%	-10%
Outcomes			
Reinvestment %	Development of new properties (housing) + newly built properties acquired + works to existing housing properties + capitalised interest on housing properties + schemes completed / Tangible fixed assets housing at cost	2%	2%
Effective Asset Management			
ROCE	Operating surplus or (deficit) overall / total assets less current liabilities	5%	2%
Cost per unit			
Headline social housing cost		£10,886	£8,977

*The gearing ratio is shown as a negative as the amount of cash exceeds the loan balance.

As a result of a successful property development programme which has attracted and continues to attract public sector funding, significant additional borrowing will be undertaken in the next financial year which will affect the interest cover and gearing ratios.

Value for money

One of the Group's objectives is to provide social housing accommodation and support services to meet the needs of its residents. The aim is to achieve a balance between reasonable cost and good quality. Value for money means:

- Ensuring effective business planning by setting out at the beginning of each financial year what will be achieved with money prior to it being spent.
- Increasing longer term social benefits through the expansion of our internal homelessness prevention pathway, such as with the addition of move-on accommodation units.
- Effectively managing performance to ensure that plans are delivered.

The Group measures its value for money in terms of cash and outputs / outcomes in various ways such as:

- Commissioning of external consultation led Cost Consequences and Added Social Value impact reports,
- External accreditation,
- Financial returns,
- Key performance indicators and benchmarking,
- Service quality,
- Social value benefits to individuals and communities,
- Savings to the public purse,
- Benefits to the organisation and its people,
- Feedback from residents and other service users.

The Group's value for money strategy is to:

- Generate surpluses to maintain a viable organisation, fund the capital programme and to continue to provide and develop services for service users, both present and future;
- Ensure that high levels of service user satisfaction are achieved;
- Comply with its banking covenants;
- Live up to the Group's Values in the delivery of services and value.

As a registered provider of social housing, the value for money objectives over the next three years are to:

- Expand the reach and active mobilisation of the Dynamic Pathway to Independence (DPI) across all geographical areas of operation to maximise the positive social impact of seeking an end to rough-sleeping and homelessness.
- Deliver the maximum viable amount of non-housing elements of the DPI (eg social enterprise vocational opportunities) across the geographical area of operation, to support residents into a position of long term and independent sustainability.
- Seek out and deliver best value through the ongoing efforts to target 'the right support, in the right way, at the right time, in the right place' through the mobilisation and embedding of the Digital Support Journey.
- Work in partnership with a variety of external stakeholders to identify opportunities and meet identified (and unfulfilled needs), delivering meaningful change through innovation and collaboration.
- Continuously improve the value and effectiveness of our social housing services through ongoing monitoring and performance management initiatives, seeking to access and embed resident feedback and the lived-experience voice throughout.
- Deliver best value and optimal performance through an ongoing focus on financial management and the seeking of opportunities to innovate and embed new approaches and technologies.
- Maintain our position of trusted partner with all of the district and county authorities with which we work to support an ongoing agenda of sector alignment and cohesive pathway progression for those escaping homelessness.

Over the last year, the Group has continued in its drive to deliver value for money. Activities that develop the effectiveness of the Group have embraced both governance and operational improvement, including:

Initiative	Status, saving or gain	Comments	
Social housing			
Deliver the budget for social housing	£1,587k operating surplus (All Housing)	A 17.5% (2020: 5.5%) housing return was achieved. This increase was largely as a result of: a) Improved occupancy and reduced levels of bad debt losses, b) Improved commercial housing income levels and associated surplus.	
	£970k operating surplus (Group)	A 6.2% return (2020: 2.4%) after taking into account: a) Expenditure incurred in relation to the Peartree and other development projects.	
	£1,522k Total surplus (Group)	A 9.7% (2020: 2.1%) return after taking into account investment movements.	
Deliver good occupancy performance to maximise income and service delivery to beneficiaries	Substantial improvement	Watford 2018/19 – 91.0% 2019/20 – 94.4% 2020/21 – 96.8%	Welwyn Garden City 2018/19 – 94% 2019/20 – 96.2% 2020/21 – 96.5%
		High Wycombe	Bishop’s Stortford

Initiative	Status, saving or gain	Comments	
		2018/19 – 91.1% 2019/20 – 94.6% 2020/21 - 94.3%	2018/19 – 93.9% 2019/20 – 97.9% 2020/21 - 100%
		Overall occupancy for ALL housing services (inc specialist MCISS, Winter Shelter and Shared Housing services) delivered 96.2% occupancy, although noting a number of specialist services were mobilised during the year and operated for a reduced period of 4-9 months.	
Manage the impact of welfare reform on bad debt (% of housing income not received)	Substantial improvement	Watford 2018/19 – 5.1% 2019/20 - 2.8% 2020/21 - 1.4% High Wycombe 2018/19 – 2.8% 2019/20 - 1.5% 2020/21 - 0.7%	Welwyn Garden City 2018/19 – 3.2% 2019/20 - 7.9% 2020/21 – 0.6% Bishop's Stortford 2018/19 – 6.2% 2019/20 - (0.5%) 2020/21 - 1.6%
		All schemes improved rent collection totals vs last year. Good rent collection is essential to overcome Universal Credit challenges.	
Complete the harmonisation of housing operating procedures across all Hostels	Complete to base (initial) standard level and moving to further advanced standardisation	Overall harmonisation of housing operations (as demonstrated by improved overall performance) is complete. The housing division is now working to standardise service offerings, quality and scalability (to support growth and contract retention) through the embedding of the Dynamic Pathway to Independence.	
Undertake supplier reviews in order to reduce the number of suppliers and/or cost	Ongoing and cost savings are being achieved	Ongoing, but with the advantage of now having the in-house Property Services function created and launched. This will, once fully mobilised and resourced, greatly aid in the harmonisation of a centralised contractor and component sourcing platform which are currently the greatest secondary cost area.	
Use of the Pyramid housing repairs system to track work flow and target job completion	Restructure complete but with ongoing embedding underway	The in-house Property Services function (including a major re-structure) has been created. Ongoing recruitment and resourcing continues to bring the function to full strength, however this includes an emerging procurement piece to identify a 'fit for purpose' repairs maintenance (and potentially compliance) reporting, monitoring and work-flow ICT system.	
Secure new work to increase the units under management and spread overhead costs	Complete with further activities to maintain ongoing growth	Core success in Watford saw us achieve (with partners) an end to rough sleeping through the creation and mobilisation of all stages of the Dynamic Pathway to Independence. The model is now recognised as the preferred model of a single / seamless pathway across Hertfordshire. It is enabling new market entry and further existing market expansion across all geographic areas of operation.	
Financial modelling and stress testing	Ongoing	Extensive financial modelling and stress testing has been undertaken to facilitate our Development Programme through the options appraisal, financing and subsequent delivery. The Group's financial plans and reports were formally assessed by the Resources Committee and the Board in light of the Mission 25 ambition to double our impact. These models continue to be reviewed due to the uncertainties of the impact of the coronavirus pandemic with full scenario planning and stress testing taking place on a regular basis. We are at early stage of conducting an organisation-wide stress testing exercise.	

Initiative	Status, saving or gain	Comments
Non-social housing		
Generate a surplus on Abbots Langley nursery operations and contribute an overhead	£31k deficit £87k overhead	The nursery is rated as Ofsted 'Outstanding' which is an excellent indicator of high standards and good quality service provision. A deficit of (£31k) (2020: surplus £90k) due to the nursery only being available to key workers while running continued to be incurred.
Effective delivery of the Hertfordshire Family Support Service	On track	The contracts are operating well, delivering excellent services to beneficiaries and performing to budget. Service user satisfaction is high, KPI figures have been rising despite lockdown and In Bedford Borough incentivisation payments owing to outstanding performance have been achieved.
Deliver value for money at the Orbital Community Centre	£(39)k deficit	A deficit of £(39)k (2020: £(3)k deficit) A loss of income relating to bookings due to the closure of the community centre for the majority of the financial year.
Performance improvement of Watford Gym	£(104)k deficit	The pressing need for additional homelessness prevention services has led to the difficult decision to close the Watford Gym in favour of an additional 34 units and associated specialist support facilities.
Performance improvement of St Albans Gym	£(247)k deficit	The £(247)k deficit (2020: £1k surplus) was due to the closure of the for the majority of the year as a result of Covid19.
Performance improvement of Abbots Langley Hub	£(53)k deficit	The £(53)k deficit (2020: £(98)k deficit) apparent improvement is due to no overheads being charged for the financial year as a result of Covid19 closures.
Multi Use Games Area	£(12)k deficit	A deficit of £(12)k (2020: £(22)k deficit). The initial hire fees from the MUGA facility have not achieved the budget aspiration set at the investment appraisal stage. A slight improvement was seen during the year but this was offset with Covid19 closures.
Achieve £105k of fundraised income for youth work	£101k achieved	£101k (2020: £50k) funding was awarded from Big Lottery and YMCA England and Wales during the year.
Early Childhood Partnership		
Children's Centre services		
Deliver the budget for the Bedford Borough area	£327k surplus	The budget maximised the deployment of financial resources for beneficiaries.
Deliver the Children's Centre contract to the required performance levels	Successfully delivering the contract	The children's centre contract is underpinned by a series of key performance indicators (KPI) sitting within four performance areas. These KPIs are regularly monitored by the Trustee Board, Council and managers. The team members are clear about which KPIs their activities contribute to, and they understand the links between the KPIs and achieving good outcomes for our children and families. In 2020/21 the Charity achieved two out of three incentivisation KPI targets. These targets covered the number of children seen at the children's centres, target groups engaging in children's centres services, parents reporting increased confidence in age appropriate child development and parents making positive progress in the education and learning area of the family star for targeted intervention. This allowed us to increase staff time to enable us to support more vulnerable families.
	Achieving performance	Activities are delivered in each centre as part of the termly timetable along with family support activities and home visiting. These activities interface with the KPIs and a simple performance management system of "plan, deliver, review and develop" means that good progress is being made to

Initiative	Status, saving or gain	Comments
		meet targets. The Data Officer, in partnership with the local authority, is now using the Children's Centre database to produce increasingly robust evidence of performance.
	Meeting the needs of beneficiaries	The design and delivery of the timetable of activities is informed by local available data. There is an appropriate split between universal, targeted and perinatal activities. For example, ECP deliver Parents as First Teachers (PAFT) as the parenting programme of choice and this is delivered as a targeted service, with the addition of PAFT Connections as a universal group activity. The perinatal team offers Baby Brasseries across five centres, a daily breast-feeding support session, weekly ante natal classes for first time parents (BBB) and one to one support ante-natally and post-natally. In 2020 they worked hard to ensure a high-quality universal service offer was available remotely. This included live and pre-recorded sessions on social media as well as videos to replace information sessions such as Introduction to Solid Food and Preparing for Baby. Our Targeted work also was delivered via video or telephone, ensuring that families continued to receive the support they needed despite the pandemic restrictions.
	Expanding the reach of services	The Charity continues to focus on its success in engaging with priority or excluded groups and are increasingly able to use data to focus resources where they are most needed. The team works with the local authority to deliver play activities on local traveller sites which are very popular. The Charity is supporting a new unborn baby pathway with Council's Head of Social Care. Children's Centres are one of the lead providers for ante-natal work to support the Social Worker's unborn baby single assessment.
	Obtaining positive beneficiary feedback	The Charity's fourth parent survey was carried out at the end of 2020 specifically asking about support offered during the pandemic. We received very positive feedback and a good response rate. Parent feedback was collected via our social media sites. Our effective online parents' forum continues to generate a great deal of discussion. When emerging needs arise, this online forum is a good space to start early discussions with the community to respond to these emerging needs.
Achieve the contract key performance indicator requirements to the satisfaction of the commissioner	Successfully delivering the contract	Monitoring meetings with the local authority take place three times a year. These meetings form part of the annual review. Following our end of year Contract Monitoring visit, our commissioners wrote to us saying "I have been so impressed with the resilience that you have all shown through this challenging period. The creative skills that you have used to enable families to access services via technology have been superb and I have enjoyed watching some of you tell stories and lead singing sessions." The local authority highlighted priority action areas, including the production of a performance report that could be shared with local councillors.
	Continuously planning for future improvements	There is clarity around the priority areas for development in the coming year. The Charity will be looking to compare its performance, particularly in relation to registration and seen figures, with a particular emphasis on targeted groups. The areas for development reflect feedback from the local authority arising from the monitoring meetings and form the basis of the annual service development plan. This plan is considered by the management team and updated monthly.
Service Delivery Plan (SDP) established to improve delivery to beneficiaries	Adopting a reflective practice to develop services	ECP has a service delivery plan which allows us to reflect on how well the Charity is meeting the required outcomes for families. It is used to evaluate strengths and identify areas for improvement. Team members are also encouraged to work reflectively. Each team member completes at least one case study per month where they consider "what worked well" with a particular family, and "even better if", what they might

Initiative	Status, saving or gain	Comments
		have done differently. This reflective practice continues into their monthly supervision, where they are supported to consider how past experience can inform future practice.
	Embracing effective planning	The strong service delivery plan (SDP) focuses on annual targets and breaks them down into a series of priority actions. The SDP is completed with input from a range of stakeholders. It is actioned by the management team and updated monthly and is considered by the Trustees Board and at the monitoring meetings with Bedford Borough Council.
	Monitoring performance and progress	The SDP operates on a RAG system (red, amber, green) with good progress being made. All priority actions are now set against the appropriate KPI(s) and each action is the responsibility of a named person and time limited.
Efficiencies		
Releasing operational savings to increase the workforce delivering front line services	Effectively managing partners' SLAs	Regular contract monitoring meetings take place between the Charity's Partners and the Business Manager. Each partner reports back on the progress it is making towards meeting the service requirements of their service level agreement. This regular performance review is a key part of the Charity's objective of maximising the benefit of services to parents, prospective parents and young children. Each contract monitoring meeting is also used as an opportunity to develop further joint working outside the contract frameworks.
Governance and support services		
Develop ICT accreditation for information security	External accreditation	The Cyber Essentials accreditation remains in place for information security purposes.
Undertake a finance and electronic payments internal audit	Complete	A finance and electronic payments internal audit was undertaken by BDO and a substantial assurance rating was achieved.
Scrutinise electronic payments via internal audit	Complete	A full review of expenditure payments was undertaken by BDO using data analysis methods to ensure probity and good order. This encompassed every individual payment made. A positive assurance rating was obtained in 2020.
Undertake benchmarking on financial matters	Comparing performance	The Charity participated in the Charity Finance Group's Finance Count benchmarking initiative.
	Developing for the future	The electronic ordering, commitments and invoicing system was successfully implemented. It now automates a number of manual processes and deliver efficiencies.
Undertake benchmarking on people matters	Comparing performance	The Charity participated in the Charity Finance Group's People Count benchmarking initiative. Opportunities for organisational development are sought for continuous improvement
	Developing for the future	We have recently re-structured our staff team to ensure that they are in a better position to deliver excellent services, this included re-aligning line management responsibilities and streamlining our admin team to work more fluidly across the whole Borough.

The Group's on-going commitment to value for money and continuous improvement will remain a high priority given the challenges to income streams that every social housing provider faces and the need to keep service users at the heart of decision making. Specific on-going activities will include:

- Performance managing outcomes and costs,
- Responding to service user needs,
- Promoting a high social housing occupancy with good rent collection levels,
- Responding to commissioner funding decisions,
- Investing in the culture and values to maximise the Group's potential, value for money and continuous improvement.

In conjunction with the Group's strategic objectives, the 2020/21 value for money approach will provide the foundation for continuous improvement and efficiency developments.

External Influences

As a diverse charity delivering community services, the Group is influenced by Government policies towards social housing, welfare and voluntary sectors. It is regulated by the Regulator of Social Housing which takes precedence for all areas of its operation over the Charity Commission which monitors its charitable activity. The Trustee Board has agreed its strategic objectives with a view to maintaining the financial health, on-going relevance and viability of each area of its activities as well as ensuring the Group's community impact.

Objectives and Strategy

The charitable objects of the Group arise from its acceptance of the Basis of Union of the YMCA of England, Ireland and Wales, adopted by the British YMCA Assembly held in Birmingham in 1973, which are:

- To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in the faith and in their life, and to associate their efforts for the extension of His Kingdom.
- To lead young people to the Lord Jesus Christ and to fullness of life in Him.
- To 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.
- 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.
- 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 residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances.

Various strategies are employed to achieve the charity's objectives within service areas of:

- Accommodation,
- Family work,
- Health and wellbeing,
- Support and advice,
- Training and education.

Achievements and performance

In relation to the strategic objectives and despite the COVID19 situation the group has made a substantial positive impact upon many lives during the year. We have supported 65,709 local people to belong, contribute and thrive in their communities, specifically including:

Accommodation

- Supporting 992 vulnerable individuals to escape rough-sleeping and avoid homelessness across Hertfordshire and Buckinghamshire.
- Launching 66 specialist supported accommodation units for rough-sleepers with high-complex and challenging behaviour needs.
- Helping 463 of our residents to move-on positively towards independence and more appropriate longer-term homes.
- Providing 468 units of supported accommodation across Hertfordshire and Buckinghamshire as part of various local homelessness prevention pathways.
- Stepped in to provide COVID compliant winter night shelter and NRPDF services to 22 individuals nightly through the winter period.
- Providing a total of 185,030 nights of sleep in a safe, secure and supported environment.
- Met the needs of the most complex rough-sleepers with the mobilisation of 10 units of Housing First accommodation in conjunction with our partner RP landlord.

- Commence the development of 34 units of self-contained move-on accommodation to provide greater long-term opportunities of independence for our residents.

Health and wellbeing

- Helped 3,292 local members of our community to improve and develop their personal health and wellbeing.
- Delivered 1,056 different, varied, enjoyable and COVID-safe health and wellbeing classes in our centres.
- Engaged with and supported 1,893 children and young people to get fit and stay healthy.
- Provided specialist activities to help 612 physically and mentally disabled individuals to participate in health and wellbeing activities every week.

Family work

Nursery

- Maintained our services for 215 children of key-worker families throughout the COVID19 period so their parents could continue to support their communities.

Hertfordshire Family Centres – East Quadrant

- We have now registered 9,117 children under the age of five years since October 2018, which is an incredible number which has only been possible through sheer determination by the whole team. This equates to 41% of the total number of under-five's in the East Quadrant.
- With the Family Support Workers being based in clinics and local hospitals alongside their Hertfordshire Community Trust colleagues, we have seen significant advances in working relationships which have been benefiting the families they both work with. Our Family Matters Meetings take place regularly with conversations to ensure that both teams know who is supporting each family, what that involves and any arising issues.
- Our contract monitoring meetings with our Commissioners have been very positive with much encouraging feedback. The three-day meetings include observations of sessions, joint reviews with our health colleagues as well as showcasing the highlights of our 90-page workbook detailing all the excellent work taken place each quarter.
- The District Partnership events and Advisory Board meetings are generally well attended and provide excellent local information which we use to ensure we enhance our services.
- We have recently introduced Emerging Needs packages of support to enable our Early Start Workers to provide much needed early intervention to families.
- From March 2020, with the Covid-19 pandemic we mobilised to a very new way of working extremely quickly. Staff moved to working from home, produced videos for Facebook, set up our own You Tube channel, online training courses and a platform to host them from. Our Commissioners were very impressed with all that we achieved as our staff went the extra mile to ensure that our service remained at the top of our game.

Youth

- Youth Work continues to grow in our newest delivery areas (Aylesbury and High Wycombe). Our High Wycombe youth club receives great support from four churches in the local area providing twelve volunteers to enable us to run weekly sessions.
- Our established delivery areas of Welwyn Garden City and Hatfield have added new sessions to their weekly programme; an additional youth club in South Hatfield and a new partnership with Hatfield Town Council's Wellbeing team.
- We've been successful with grant funding from both YMCA England and Wales and The National Lottery Community Fund, these grants will enable us to deliver much needed mental well-being support to young people as they access our sessions and activities. This has enabled our partnership with Signpost Youth Counselling to be strengthened as we jointly deliver the YOUthrive project.

- Researching young people's views and opinions is central to the development of our work; we've successfully carried out research for Welwyn Hatfield Borough Council, St. John's Church Boxmoor and Wormley and Turnford BIG Local.

Community Hubs

- Welcomed visitors from the local community throughout the year.
- Organised and facilitated over 200 different activities for a wide range of groups and individuals each week.
- Worked with a local community pre-school to provide 45 local children the opportunity to make friends, develop and learn.

Individual services operate differently because of the various regulatory and monitoring frameworks that are in place to accord to standards set by the Regulator of Social Housing, Charity Commission and Ofsted. Key performance indicators tend to be set within contracts agreed with commissioners such as County/unitary Councils (Housing Related Support, Family Support Centres, and Children's Centres), Local Councils and other funders (Trusts & Foundations etc.). Performance against these is monitored on a regular basis.

Accreditations

The Group continues to work hard to secure and maintain accreditations that reflect the quality, compliance and impact of work undertaken. These currently embrace:

- a) Investors in People – Silver,
- b) Ofsted – Outstanding – for Charters Nursery, Abbots Langley,
- c) Centre for Housing Support – Service Excellence Standards,
- d) SafeContractor - Charity,
- e) Cyber Essentials – One YMCA and Early Childhood Partnership,
- f) Fundraising Regulator,
- g) Disability Aware,
- h) Mindful Employer.

The Group will continue to seek accreditations where it is in the best interests of the charity and its beneficiaries to do so.

Strategic developments on new activities

- The creation of the Dynamic Pathway to Independence (DPI), and its recognition of the preferred model of operation across Hertfordshire, will direct the ongoing enhancement of existing services and design / mobilisation of new services to meet local need.
- The ongoing Peartree Hostel Redevelopment project, with planning approval now in place, will move forwards to construction during this next year in order to secure the facility for the long term in that area.
- The ongoing drive to ensure long term viability and sustainability will see a strategic focus on expanding the type, scope and scale of service delivery (aligned to the DPI) into all geographical areas of operation.
- Efforts will be ongoing to improve the overall delivery of a holistic housing and homelessness prevention service (in line with the DPI) so as to best position the charity for future opportunities and re-commissioning of existing services.
- Ongoing collaboration with district, county and central government partners will be maintained to ensure alignment with commissioning priorities and opportunities to positively influence where appropriate.
- Various re-development projects will be ongoing and see the creation of additional units of accommodation in previously underutilised (existing) assets, working to increase the scope of the DPI offering in operational areas.

- Efforts to drive performance improvement through the creation and continuous improvement of the Insight / KPI dashboards will be maintained, with aligned profile building activities to highlight social impact and success.

Looking to the future

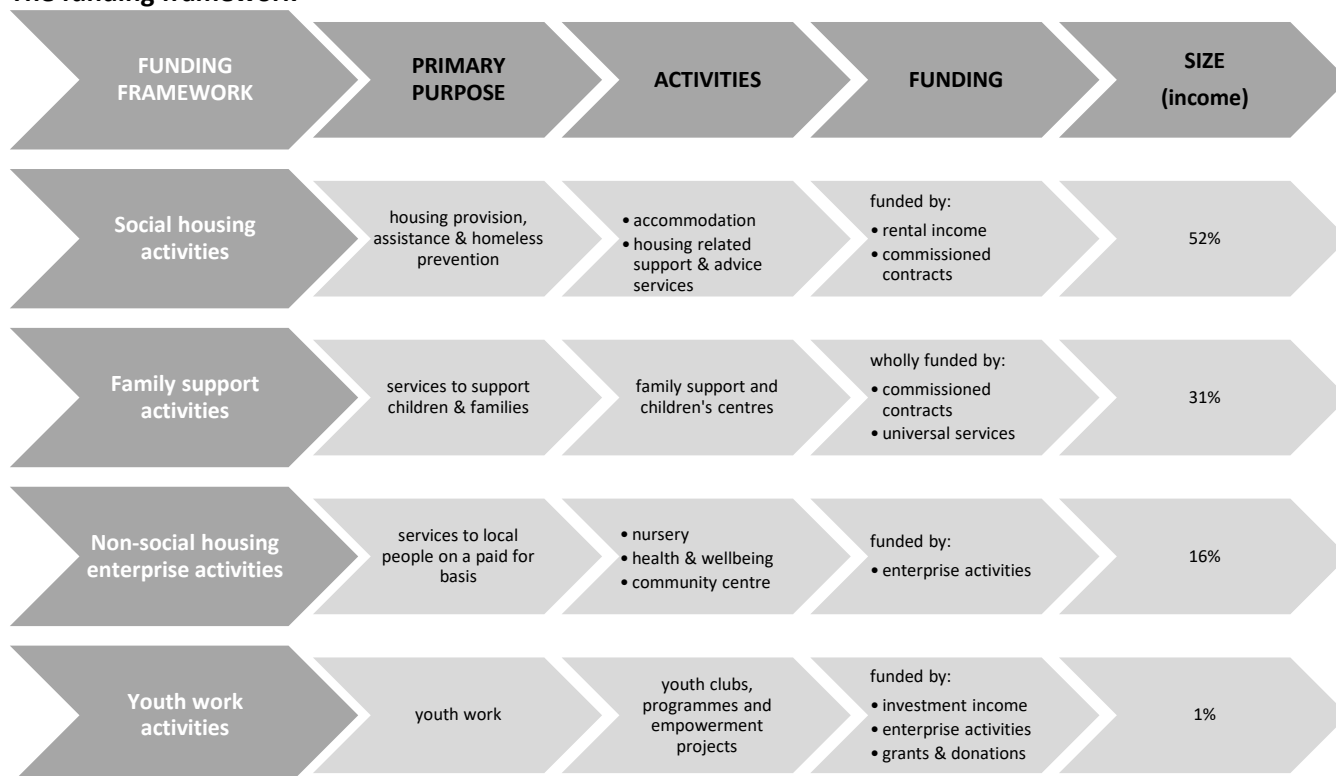
The Group is committed to developing a strong and vibrant organisation in order to serve its residents, beneficiaries and the local community. In doing so, it will:

- Actively progress the Peartree Redevelopment Programme to achieve a new solution for YMCA housing in Welwyn Garden City,
- Work with partners to promote shared mission and objectives where collaboration or working alongside partners can deliver better outcomes for beneficiaries,
- Develop existing service delivery,
- Improve value for money,
- Competitively bid for local authority commissioned service delivery contracts,
- Widen the breadth and strength of income streams,
- Effective marketing plans to drive up customer demand, retention and income levels,
- Submit more fundraising bids.

The Group has continued to adopt the framework for delivering services so that both social housing and non-social housing activities are kept in balance. The funding framework diagram set out below details the various components.

Youth work activities are a vital contribution to vibrant and sustainable communities. They provide a sense of belonging for the young people who take part as well as helping to reduce the risk of family breakdown and/or youth homelessness. Youth work is a core part of the Group's activities and is ancillary to social housing objectives. The size of the programme alongside its potential expansion does not pose any risk to social housing activities.

The funding framework



With regard to the funding framework:

- The model for social housing activities is established and operates well;
- The model for family support activities is wholly funded and is backed by commissioned contract income.
- The model for non-social housing enterprise activities is developing and contributes to youth work funding. Investment income receipts and Abbots Langley Nursery are performing very well.

The Group is committed to solid financial planning and setting surplus budgets to ensure that activities are sustainable and will actively serve beneficiaries in the medium to long term. The Company will invest in new social housing services where it is prudent to do so. Furthermore, it will take steps in the event that any services suffer from economic, social or market downturns.

Future of social housing

The social housing strategy now sits firmly in the overarching #Mission25 strategy to double our impact by 2025. There are several key concepts in the mission that have specific relevance to our Social Housing activities and these include:

- #MakingHomes
- #BetterPlaces
- #GoingGreen

Each of these concepts will see us deliver a staff and resident led improvement in the social impact our social housing activities deliver. That being both in quantity and quality terms, seeing us double the number of units we are able to provide, double the positive outcomes and opportunities for our residents and have the impact our activities have on the environment around us.

Several key redevelopment / development activities sit at the heart of the strategy, each with varying degrees of secured (or in final stages of negotiation) public sector funding. That funding being an enabler to expand the overall length / reach of the Dynamic Pathway to Independence.

The most notable of the development projects being the Peartree Hostel redevelopment in Welwyn Garden City. This has been progressing steadily over recent years, with planning permission having been awarded in October 2020. The project will, pending final funding confirmation and under the scrutiny of the Property Development Committee, progress to a construction stage within the next financial year.

Ongoing efforts to maintain and improve social housing performance (best value) in both occupancy and rent realisation will be maintained. This will be aligned with an increased focus on team training and ongoing engagement with the Insight / KPI dashboard systems.

Residents' involvement

The inclusion of resident feedback and the 'lived experience' voice sits at the heart of our activities and is further enhanced through the activities of #Mission25, our strategy to double out impact over the next five years. There are a number of concepts contained in the mission, but the most relevant to this topic being:

- #ProjectConnect
- #MakingHomes

Within these concepts, and actively underpinned by the move to mobilise the Digital Support Journey, there is a specific focus to 'connect' stakeholders from across the organisation. This will bring together staff, volunteers and residents from all areas with the specific aim of eliciting feedback, opinion and suggestions.

Initial examples include workshops relating to the creation of a standardised Psychologically Informed Environment (PiE) colourway strategy to support the #BetterPlaces concept. Other input has helped shape and refine our new Intensive (rough-sleeper / complex needs) services, both in living environment and support aspect terms. That input being pivotal in the overall DPI becoming the preferred model of operation across Hertfordshire.

Throughout the next year we will maintain periodic / structured meetings led by #Connecting Together and personal engagement sessions, site based resident meetings and specific training & education workshops, all led by the housing teams.

Alongside this our overarching commitment, via the Chaplaincy Team, to attract, train and embed volunteers will remain a constant. This extra resource provides a completely different voice to the support / resident journey and offers considerable extra value.

Risks and uncertainties

Risks that may prevent the Group achieving its objectives are considered and reviewed by the Trustee Board, Audit & Risk Committee and Executive Management Team on a periodic basis as part of the corporate planning processes. The risks are recorded and assessed in terms of their impact and probability. Major risks, presenting the greatest threats to the Company are reported to Trustee Board every six months. The strategic risk register is reviewed at every Audit & Risk Committee meeting. In addition, people related risks are reviewed by the Governance & People Committee every six months. The Group's major risks relate to:

- The impact of Covid19,
- Loss of income and/or contracts,
- Safeguarding / service user reputational incident,
- Regulatory Compliance
- Development cost overrun,
- Property compliance,
- Information security,
- Executive capacity,
- Fraud and theft.

From the beginning of 2020/21 to date, risk management has been primarily focused on managing and in some cases mitigating the impact of the Coronavirus pandemic on the safety of our residents, service users and staff along with the resilience of the Charity as some of our services such as gyms and group activities were closed. Trustees and the Executive Team also set out to explore ways in which our assets and resources would be used to support more vulnerable people such as the homeless and childcare for key workers through this difficult period. The Executive Team and Trustees put in place an action plan to address these areas and have worked with the Senior Management Team to successfully deliver the plan.

The principal financial risks relate to loss of income and/or contracts and development programme cost escalation. Whilst the Audit & Risk Committee reviews controls and standards, the Resources Committee proactively monitors and challenges the financial and service performance of the Group.

The principal property and information risks relate to systems, process and monitoring. Further investments are being made in a new information system for safety compliance monitoring and reporting. Ongoing investments on information security projects and checks remain paramount.

The principal people risk relates to safeguarding and ensuring that the best interests of beneficiaries are protected.

With the external support and facilitation by Campbell Tickell, the Trustee Board has refined its understanding of its strategic risk appetite. This has previously been discussed at Audit & Risk Committee and was discussed in a strategy workshop. The product of this was a new strategic risk appetite map approved 2020/21.

On an annual basis, the Group reviews its key policies and controls frameworks. These included the financial regulations as well as the Code of Governance, committee terms of reference, code of conduct, safeguarding, fraud, whistleblowing, health & safety, UK GDPR, equal opportunities and risk management policies. The next reviews are scheduled for July to November 2021.

The risk management and internal controls arrangements are described in more detail in the Report of the Trustee Board on page 4.

Borrowings

At year end, the Group had long term borrowings of £1,528,168 (2020: £1,602,660) which are secured against income generating assets: the supported housing hostels. In approving the Operating and Financial Review, the Trustees are also approving the Strategic Report in their capacity as directors of the Group.

The Operating and Financial Review and the Strategic Report were approved by the Trustee Board on 19 July 2021 and signed on their behalf by:



Andrew Newell
Chair and Trustee

Independent auditor's report to the members of One YMCA

Opinion

We have audited the financial statements of One YMCA for the year-ended 31 March 2021 which comprise the consolidated and company statements of comprehensive income, the consolidated and company statements of changes in reserves, the consolidated and company balance sheets, 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 of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from January 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board (which includes the directors' report), and the Operating and financial review and Strategic Report. 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 Report of the Board, the Operating and financial review and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report contained within the Report of the Board, the Operating and financial review and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, the operating and financial review or 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
- 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.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable 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.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulation of registered charities and registered providers of social housing, regulation by Ofsted, and Health and Safety regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and the Housing and Regeneration Act 2008, and we considered other factors such as tax compliance.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of

estimation uncertainty and manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing a sample of manual journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 10 September 2021

10 Queen Street Place
London EC4R 1AG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	15,614,169	12,898,341
Operating expenditure	3	<u>(14,644,377)</u>	<u>(12,558,373)</u>
Operating Surplus	4	969,792	339,968
(Loss) / gain on disposal of property, plant and equipment	5	(21,335)	1,426
Interest receivable and other income	6	90,835	97,154
Interest and financing costs	7	(60,204)	(74,527)
Movement in fair value of financial instruments	13	<u>542,898</u>	<u>(67,333)</u>
Surplus for the year		1,521,986	296,689
Actuarial gains relating to Pension Fund	18	-	9,000
Total comprehensive income for the year		<u>1,521,986</u>	<u>305,689</u>

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	13,996,884	11,859,078
Operating expenditure	3	<u>(13,354,362)</u>	<u>(11,580,205)</u>
Operating Surplus	4	642,522	278,873
(Loss) / gain on disposal of property, plant and equipment	5	(21,335)	1,426
Interest receivable and other income	6	90,835	97,154
Interest and financing costs	7	(60,204)	(74,527)
Movement in fair value of financial instruments	13	<u>542,898</u>	<u>(67,333)</u>
Surplus for the year		1,194,716	235,594
Actuarial gains relating to Pension Fund	18	-	9,000
Total comprehensive income for the year		<u>1,194,716</u>	<u>244,594</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

GROUP	Income & expenditure reserve £	Restricted reserve £	Property revaluation reserve £	Total £
Balance at 1 April 2020	9,085,149	18,156	5,447,428	14,550,733
Surplus from income and expenditure account	1,540,142	(18,156)	-	1,521,986
Transfer from revaluation reserve to income and expenditure reserve	65,609	-	(65,609)	-
Balance at 31 March 2021	10,690,900	-	5,381,819	16,072,719

COMPANY	Income & expenditure reserve £	Restricted reserve £	Property revaluation reserve £	Total £
Balance at 1 April 2020	9,022,996	-	5,447,428	14,470,424
Surplus from income and expenditure account	1,194,716	-	-	1,194,716
Transfer from revaluation reserve to income and expenditure reserve	65,609	-	(65,609)	-
Balance at 31 March 2021	10,283,321	-	5,381,819	15,665,140

The £65,609 transfer between funds relates to the release of the revaluation reserve to offset increased depreciation as a result of the revaluation of assets on adoption of FRS 102.

BALANCE SHEET
AS AT 31 MARCH 2021

Registered company 4430743

	Notes	2021 £	Group 2020 £	2021 £	Company 2020 £
Fixed assets					
Tangible fixed assets	11,12	13,792,921	13,746,933	13,792,921	13,746,933
Investments	13	3,027,913	2,485,014	3,027,913	2,485,014
		<u>16,820,834</u>	<u>16,231,947</u>	<u>16,820,834</u>	<u>16,231,947</u>
Current assets					
Trade and other debtors	14	805,653	1,258,607	741,899	1,169,434
Cash and cash equivalents		<u>6,281,783</u>	<u>2,710,095</u>	<u>5,640,106</u>	<u>2,430,370</u>
		7,087,436	3,968,702	6,382,005	3,599,804
Creditors: falling due within one year	15	3,656,996	2,983,178	3,431,144	2,766,589
Net current assets		<u>3,430,440</u>	<u>985,524</u>	<u>2,950,861</u>	<u>833,215</u>
Creditors: falling due after more than one year	16	3,283,907	1,800,180	3,283,907	1,800,180
Pension funds	18	822,648	794,558	822,648	794,558
Provision for liabilities and charges	17	72,000	72,000	-	-
Total net assets		<u>16,072,719</u>	<u>14,550,733</u>	<u>15,665,140</u>	<u>14,470,424</u>
Capital and reserves					
Housing property revaluation reserve		5,381,819	5,447,428	5,381,819	5,447,428
Revenue reserve		10,690,900	9,085,149	10,283,321	9,022,996
Restricted reserve	21	-	18,156	-	-
Total reserves		<u>16,072,719</u>	<u>14,550,733</u>	<u>15,665,140</u>	<u>14,470,424</u>

The accompanying notes form part of these financial statements.

The accounts were approved by the Trustee Board on 19 July 2021 and were signed on its behalf by:

Andrew Newell



Chair and Trustee

Nicholas Mourant



Treasurer and Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Net cash generated from operating activities		
Surplus for the financial year	1,521,986	296,689
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	511,382	500,949
Decrease / (Increase) in trade and other receivables	452,954	(66,310)
Increase in trade and other creditors	2,229,165	318,809
Loss / (gain) on fixed asset disposals	21,335	(1,426)
Movement in fair value of financial instruments	(542,898)	67,333
Pension costs less contributions payable	31,211	(89,884)
Interest paid	33,768	45,653
Interest received	(90,835)	(97,154)
Cash generated from operating activities	4,168,068	974,659
Cash flow from investing activities		
Purchase of tangible fixed assets	(578,705)	(498,705)
Proceeds from the sale of tangible fixed assets	-	1,426
Interest received	90,835	97,154
Net cash from investing activities	(487,870)	(400,125)
Cash flows from financing activities		
Interest paid	(33,768)	(45,653)
Repayments of borrowings	(74,742)	(64,429)
Net cash used in financing activities	(108,510)	(110,082)
Net increase in cash and cash equivalents	3,571,688	464,452
Cash and cash equivalents at beginning of year	2,710,095	2,245,643
Cash and cash equivalents at end of year	6,281,783	2,710,095
Cash and cash equivalents at 31 March		
Cash at bank	6,281,783	2,710,095
	6,281,783	2,710,095

The accompanying notes form part of these financial statements.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Status

The Company is a company limited by guarantee, registered under the Companies Act 2006 registration number 4430743, a registered charity number 1102301 and registered with the Regulator of Social Housing as a social housing provider registration number H4418. The charity meets the definition of a public benefit entity under FRS 102.

The registered office is Charter House, Charter Place, Watford, Hertfordshire WD17 2RT.

Each member of the Company undertakes to contribute such amount as may be required (not exceeding £1.00) to the assets of the Company in the event of the same being wound up while he or she is a member or within one year after he or she ceases to be a member for payment of the debt and liabilities of the Company contracted before he or she ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves. If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members of the Company but shall be transferred to The National Council of Young Men's Christian Association (Incorporated) for its general purposes.

2. Principal accounting policies

The financial statements are prepared in accordance with Financial Reporting Standard 102 and the Statement of Recommended Practice: accounting by registered social housing providers 2018 ("SORP") and comply with the Accounting Direction for private registered providers of social housing 2019.

In the view of the trustees in applying the accounting policies adopted, an area of judgement relates to the provision for dilapidations as disclosed in 2(p). No other judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year. No complex financial instruments are held.

(a) Basis of accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are re-measured at each balance sheet date.

(b) Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertaking of Early Childhood Partnership, drawn up to 31 March 2021. Profits or losses on intra-group transactions are eliminated in full in accordance with FRS 102.

(c) Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Trustees' Report. On this basis, the Trustee Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements. No material uncertainties exist.

(d) Turnover

Turnover comprises rental and service charge income receivable in the year and other services at invoiced value (excluding VAT) of goods and services supplied in the year.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Revenue grants are receivable when the conditions for receipts of agreed grant funding have been met. Charges for support services funded by Housing Related Support and Family & Children's Centres are recognised as they fall due under the contractual arrangements with Administering Authorities.

Where an asset is acquired at undervalue a notional grant is recognised in respect of the difference between the purchase price and the fair value of the asset. The trustees determine the fair value based on the available data including external valuations.

(e) **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover and staff numbers.

(f) **Debtors and creditors**

Short term debtors are measured at transaction price, less any impairment and short term creditors are measured at the transaction price.

(g) **Housing properties**

Housing properties are principally properties available for rent. The properties at Peartree Lane, Welwyn Garden City and Charter House, Watford were revalued upon the implementation of FRS102 and SORP. The Company elected to measure housing properties on the date of transition at its fair value and use that fair value as its deemed cost at that date. The valuation is based upon an Existing Use Value for Social Housing (EUV-SH) basis by an independent professional advisor qualified by the Royal Institute of Chartered Surveys to undertake valuations.

Housing properties are stated at cost less depreciation, the cost of future additions being the cost of acquiring land and buildings and expenditure incurred in respect to improvements.

Work to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

(h) **Housing properties and depreciation**

The Company separately identifies the major components that comprise 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 its estimated useful economic life.

The Company depreciates the major components of its housing properties at the following annual rates:

<u>Component</u>	<u>Useful economic life</u>
Structure (Leased)	Residue of lease
Structure	80 years
Roofs	30 years
Windows	20 years
Kitchens	20 years
Bathrooms	30 years
Heating	20 years
Lifts	15 years

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Where the unexpired lease term is shorter than the longest component life envisaged, the unexpired term of the lease is adopted as the useful economic life.

(i) **Other tangible fixed assets and depreciation**

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

<u>Component</u>	<u>Useful economic life</u>
Non-Housing Leasehold improvements	Over the term of the lease
Fixture and fittings	5 years
Motor Vehicles	5 years
ICT	3 - 7 years (depending upon items)

(j) **Operating leases**

Rentals payable under the operating leases are charged on a straight-line basis over the lease term. The benefits of lease incentives entered into after the date of transition to FRS 102 are recognised in income and expenditure over the lease period.

The Company has taken advantage of the exemption in FRS 102 section 35 to continue to treat incentives received on leases entered into before the date of transition on the same basis as at the date of transition.

(k) **Pensions**

Hertfordshire County Council Pension Fund

The Company is a participating employer in the Hertfordshire County Council Pension Fund (HCCPF) in respect of employees already in the scheme who transferred from other admitted local authority bodies. The scheme is a multi-employer defined benefit scheme and the Company's share of the results of the scheme is shown within the accounts in accordance with FRS 102.

For the HCCPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Company.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

YMCA Pension Plan

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

As described in note 18 the Company has a contractual obligation to make pension deficit payments over the period to April 2029, accordingly this is shown as a liability in these accounts. In addition, the company is required to contribute £28k pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Group Personal Pension Plan (defined contribution)

The Company also makes contributions to a group personal pension plan (defined contribution) provided by Aviva which is open to all employees.

(l) Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England as a contribution towards the capital cost of housing schemes. The Company has taken advantage of transitional relief for deemed cost and treated all SHG grant on transition under the performance model in accordance with SORP. Any subsequent SHG grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

SHG due from Homes England or received in advance is included as a current asset or liability. SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable, but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, the Company is required to recycle these proceeds; as such a contingent liability is disclosed to reflect this.

(m) Other Grants

Other grants are receivable from local authorities and other organisations and are accounted for under the accruals model. Capital grants are recognised in income over the expected useful life of the asset. Grants in respect of revenue expenditure are credited to the income and expenditure in the same period as the expenditure to which they relate.

(n) Investments

Investments held as fixed assets are valued at mid-point of the quotation in the Stock Exchange daily official list. Any movements in the fair value of investments are recognised in income and expenditure.

(o) Interest Free Loans

Long term loans carrying no interest are disclosed at amortised cost using the market rate of similar debt instruments – the effective interest method.

(p) Provisions for Liabilities

Provision has been made for expected property costs at the end of the leases held by the Early Childhood Partnership subsidiary. This is based on the lease terms, management's assessment of the property condition and external evidence supporting the likely costs. This estimation involves a level of judgment and will be reassessed annually.

(q) Holiday pay accrual

The group recognises an accrual for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The accrual is measured at the salary cost payable for the period of absence.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(r) **Fund Accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. The revaluation of properties is reported separately in the property revaluation reserve. This is the difference between the fair value of social housing properties and the historical cost carrying value.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**3. Group - Turnover, operating costs and operating surplus**

2021	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	6,337,863	4,874,965	1,462,898
Other social housing activities:			
Housing related support	2,155,192	2,012,498	142,694
Total – social housing activities	8,493,055	6,887,463	1,605,592
Other non-social housing	536,826	555,700	(18,874)
Total housing activities	9,029,881	7,443,163	1,586,718
Non-social housing activities			
Health & wellbeing – budget gyms	90,850	441,465	(350,615)
Health & wellbeing – other	56,782	122,620	(65,838)
Child and family services	4,755,212	4,325,503	429,709
Nursery	1,139,312	1,164,299	(24,987)
Youth	125,810	455,793	(329,983)
Community Centre	106,235	145,386	(39,151)
Government grants taken to income	269,986	269,986	-
Other grants taken to income	12,477	12,477	-
Other	27,624	263,685	(236,059)
	6,584,288	7,201,214	(616,926)
	15,614,169	14,644,377	969,792

Group - Turnover, operating costs and operating surplus

2020	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	4,452,233	4,112,050	340,183
Other social housing activities:			
Housing related support	1,674,752	1,652,510	22,242
Total – social housing activities	6,126,985	5,764,560	362,425
Other non-social housing	525,800	524,326	1,474
Total housing activities	6,652,785	6,288,886	363,899
Non-social housing activities			
Health & wellbeing – budget gyms	642,776	629,806	12,970
Health & wellbeing – community programmes	109,366	231,095	(121,729)
Child and family services	5,211,180	4,800,728	410,452
Youth	65,953	273,531	(207,578)
Community	179,025	181,785	(2,760)
Other grants taken to income	12,421	12,421	-
Other	24,835	140,121	(115,286)
	6,245,556	6,269,487	(23,931)
	12,898,341	12,558,373	339,968

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**Company - Turnover, operating costs and operating surplus**

2021	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	6,337,863	4,874,965	1,462,898
Other social housing activities:			
Housing related support	2,155,192	2,012,498	142,694
Total – social housing activities	8,493,055	6,887,463	1,605,592
Other non-social housing	536,826	555,700	(18,874)
Total housing activities	9,029,881	7,443,163	1,586,718
Non-social housing activities			
Health & wellbeing – budget gyms	90,850	441,465	(350,615)
Health & wellbeing – other	56,782	122,620	(65,838)
Child and family services	3,012,970	2,880,745	132,225
Nursery	1,139,312	1,164,299	(24,987)
Youth	125,810	455,793	(329,983)
Community Centre	106,235	145,386	(39,151)
Government grants taken to income	269,986	269,986	-
Other grants taken to income	12,477	12,477	-
Other	152,581	413,685	(261,103)
	4,967,003	5,911,199	(944,196)
	13,996,884	13,354,362	642,522

Company - Turnover, operating costs and operating surplus

2020	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	4,452,233	4,112,050	340,183
Other social housing activities:			
Housing related support	1,674,752	1,652,510	22,242
Total – social housing activities	6,126,752	5,764,560	362,425
Other non-social housing	525,800	524,326	1,474
Housing asset purchase costs & pension project	-	-	-
Total housing activities	6,652,785	6,288,886	363,899
Non-social housing activities			
Health & wellbeing – budget gyms	642,776	629,806	12,970
Health & wellbeing – other	109,366	231,095	(121,729)
Child and family services	4,069,313	3,822,559	246,754
Youth & Community	65,953	273,531	(207,578)
Community	179,025	181,785	(2,760)
Government grants taken to income	-	-	-
Other grants taken to income	12,421	12,421	-
Other	127,439	140,122	(12,683)
	5,206,293	5,291,319	(85,026)
	11,859,078	11,580,205	278,873

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Turnover, operating costs and operating surplus (continued)

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Operating costs for social housing:				
Management	2,261,242	1,966,334	2,261,242	1,966,334
Services	1,796,028	1,437,784	1,796,028	1,437,784
Routine maintenance	180,319	156,246	180,319	156,246
Planned maintenance	98,250	107,135	98,250	107,135
Rent losses from bad debts	237,781	141,006	237,781	141,006
Depreciation of housing properties and equipment	301,345	303,345	301,345	303,345
	4,874,965	4,112,050	4,874,965	4,112,050
Void losses: notional calculation of income lost from vacant rooms	336,814	348,518	336,814	348,518
Number of registered accommodation units <i>(The number of units reduced in 2021 due to the removal of non-social housing units from this figure)</i>	468	483	468	483

4 Operating surplus

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
The operating surplus is arrived at after charging:				
Depreciation	511,382	500,949	511,382	500,949
Operating lease payments:				
- Land and buildings	205,321	116,930	205,321	116,930
Auditors' remuneration (excluding VAT)				
- Fees payable for the audit of the financial statements	24,500	22,500	21,000	20,000

5. Gain / (loss) on sale of fixed assets

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Disposal proceeds	-	1,426	-	1,426
Carrying value of fixed assets	21,335	-	21,335	-
	21,335	1,426	21,335	1,426

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6. Interest receivable and other income

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Interest receivable and similar income	1,740	11,182	1,740	11,182
Income from listed investments	89,095	85,972	89,095	85,972
	90,835	97,154	90,835	97,154

7. Interest and financing costs

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Defined benefit pension charge	26,436	28,874	26,436	28,874
Loan and bank overdrafts	33,768	45,653	33,768	45,653
	60,204	74,527	60,204	74,527

8. Executive Directors' remuneration

	Basic salary	Pension contribs.	2021 Total	2020 Total
	£	£	£	£
Chief Executive				
Guy Foxell	114,717	9,176	123,893	113,136
Director of Resources				
David Martin (to Nov 2019)	-	-	-	71,444
Director of Family Support				
Serreta Pritchard	62,801	5,023	67,823	65,882
Director of Operations				
Mark Turner	104,938	6,394	111,333	87,358
Director of Business Development				
Michael Howe (from Jan 2020)	58,134	2,333	60,467	13,729
Director of Corporate Service				
Jonathan Kalemera (from Jan 2020)	80,743	-	80,743	12,325
	421,334	22,925	444,259	363,874

The Chief Executive is a member of the Aviva defined contribution pension scheme. Both the Company and Chief Executive make contributions to this money purchase scheme.

The full time equivalent number of staff who received emoluments:	2021 No	2020 No
£60,001 to £70,000	2	2
£70,001 to £80,000	0	1
£80,001 to £90,000	1	1
£100,001 to £110,000	1	1
£110,001 to 120,000	1	0

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. Employee information

	Group		Company	
Average monthly number of employees:	2021	2020	2021	2020
	No	No	No	No
Housing	95	120	95	120
Support Services	30	22	30	22
Sports, health & fitness	24	23	24	23
Child & family services	136	140	136	140
Youth & community	14	14	14	14
Orbital Community Centre	12	14	12	14
Early Childhood Partnership	43	27	-	-
Total	354	360	311	333
	2021	2020	2021	2020
	£	£	£	£
Staff costs (for the above persons)				
Wages and salaries	6,976,296	5,918,089	6,068,549	5,513,348
Social security costs	599,264	472,847	525,953	444,630
Other pension costs	363,304	312,899	329,560	297,429
	7,398,864	6,703,835	6,924,062	6,255,407

During the year, termination payments of £78,758 (2020: £17,859) were recognised as an expense as compensation for loss of office.

10. Taxation

The Company is a registered charity qualifying for relief from income and capital gains taxes on its charitable activities.

11. Group and Company – Tangible fixed assets (housing)

	Freehold property	Housing long leasehold property	Housing property improv'm'ts	WIP	Total
	£	£	£	£	£
Cost					
At 1 April 2020	6,621,000	4,856,000	2,019,926	-	13,496,926
Additions	-	-	219,843	268,017	487,860
At 31 March 2021	6,621,000	4,856,000	2,239,769	268,017	13,984,786
Depreciation					
At 1 April 2020	441,385	334,892	1,215,323	-	1,991,600
Providing during year	108,597	55,816	67,553	-	231,966
At 31 March 2021	549,982	390,708	1,282,876	-	2,223,566
Net book value					
At 31 March 2021	6,071,018	4,465,292	956,893	268,017	11,761,220
At 31 March 2020	6,179,615	4,521,108	804,603	-	11,505,326

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Group and Company – Tangible fixed assets (non-housing)

	Other property £	Long leasehold property £	Leasehold improv'm'ts £	Fixtures, fittings & equipment £	Vehicles £	WIP £	Total £
Cost							
At 1 April 2020	129,394	760,000	1,609,235	1,975,725	6,157	3,201	4,483,712
Additions	-	-	-	79,190	-	11,655	90,845
Transfer from WIP	-	-	-	3,201	-	(3,201)	-
Disposals	-	-	-	(145,259)	-	-	(145,259)
Cost at 31 March 2021	129,394	760,000	1,609,235	1,912,857	6,157	11,655	4,429,298
Depreciation							
At 1 April 2020	72,788	52,379	751,045	1,359,736	6,157	-	2,242,105
Providing during year	3,341	8,736	68,784	198,555	-	-	279,416
Released on disposal	-	-	-	(123,924)	-	-	(123,924)
At 31 March 2021	76,129	61,115	819,829	1,434,367	6,157	-	2,397,597
Net book value							
At 31 March 2021	53,265	698,885	789,406	478,489	-	11,655	2,031,701
At 31 March 2020	56,606	707,621	858,190	615,989	-	3,201	2,241,607

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. Investments

	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Fair value				
As at 1 April 2020				
Listed on a recognised stock exchange	2,485,014	2,552,347	2,485,014	2,552,347
Unrealised (losses) / gains on valuation	542,898	(67,333)	542,898	(67,333)
As at 31 March 2021	<u>3,027,912</u>	<u>2,485,014</u>	<u>3,027,912</u>	<u>2,485,014</u>

An investment in 1 £1 ordinary share in YMCA Platforms Ltd, a private limited company registered in England and Wales company number 11220819, was made in September 2019. The £1 is unpaid and the company is dormant.

14. Debtors

	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Rent arrears (including housing benefit, and resident arrears)	803,227	427,516	803,227	427,516
Less provision for doubtful debt	(492,431)	(280,890)	(492,431)	(280,890)
	<u>310,796</u>	<u>146,626</u>	<u>310,796</u>	<u>146,626</u>
Students (Steiner college)	58,752	74,880	58,752	74,880
	<u>369,548</u>	<u>221,506</u>	<u>369,548</u>	<u>221,506</u>
Trade debtors	109,226	915,487	51,910	823,628
Less provision for doubtful debt	(260)	(2,349)	(260)	(2,349)
	<u>108,966</u>	<u>913,138</u>	<u>51,650</u>	<u>821,279</u>
Other debtors	50,031	3,900	50,031	3,900
Prepayments and accrued income	277,108	120,063	256,674	120,063
Amounts due from subsidiary	-	-	13,996	2,686
	<u>805,653</u>	<u>1,258,607</u>	<u>741,899</u>	<u>1,169,434</u>

15. Creditors

Amounts falling due within one year	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Current instalments due on loans (see note 16 for security details)	72,003	66,626	72,003	66,626
Trade creditors	241,844	262,748	183,044	247,021
Other taxes and social security costs	206,156	314,797	182,381	304,468
Other creditors	490,287	291,649	471,483	287,780
Amounts due to subsidiary	-	-	-	-
Deferred grant income	28,324	12,477	28,324	12,477
Accruals and deferred income	2,618,381	2,034,881	2,493,909	1,848,217
	<u>3,656,995</u>	<u>2,983,178</u>	<u>3,431,144</u>	<u>2,766,589</u>

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. Creditors

Amounts falling due after more than one year	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Bank loan	1,408,309	1,488,118	1,408,309	1,488,118
Other loans	47,606	47,916	47,606	47,916
Deferred grant income	1,827,992	264,146	1,827,992	264,146
	<u>3,283,907</u>	<u>1,800,180</u>	<u>3,283,907</u>	<u>1,800,180</u>

A loan of £124,000 was made by Watford Borough Council in 1977. The loan is interest-free and is repayable over the term of the lease. The amount due of £47,916 at 31 March 2021 (2020: £48,221) is the measurement of the liability after discounting for the income rate of return.

£1,664,500 was borrowed from HSBC in 2018 at 2.07% above the Bank's sterling Bank Rate and is repayable over a 20-year term. The amount due at 31 March 2021 was £1,480,001 (2020: £1,554,439).

Based on the earliest repayment date, borrowings are repayable as follows:	2021 Group	2020 Group	2021 Company	2020 Company
One year or less	72,003	66,626	72,003	66,626
One year or more but less than two years	73,578	68,525	73,578	68,525
Two years or more but less than five years	230,463	217,417	230,463	217,417
Five years or more	1,151,874	1,250,092	1,151,873	1,250,092
	<u>1,527,918</u>	<u>1,602,660</u>	<u>1,527,917</u>	<u>1,602,660</u>

The lease of Charter House, Watford is held as security for the above Watford Borough Council loan.

The HSBC mortgage is secured against the freeholds of:

- a) Peartree Hostel, Welwyn Garden City,
- b) Crest Road, High Wycombe and
- c) 4 Northgate End, Bishop's Stortford.

Deferred Capital Grants	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Deferred income as at 1 April	276,623	279,044	276,623	279,044
Additions	1,592,170	10,000	1,592,170	10,000
Released to Statement of Comprehensive Income	(12,477)	(12,421)	(12,477)	(12,421)
As at 31 March	<u>1,856,316</u>	<u>276,623</u>	<u>1,856,316</u>	<u>276,623</u>

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Deferred income to be released to the statement of comprehensive income:	2021 Group £	2020 Group £	2021 Company £	2020 Company £
In less than one year	28,324	12,477	28,324	12,477
In more than one year	1,827,992	264,146	1,827,992	264,146
	<u>1,856,316</u>	<u>276,623</u>	<u>1,856,316</u>	<u>276,623</u>

17. Provision for liabilities and charges

	2021 Group £	2020 Group £	2021 Company £	2020 Company £
As at 1 st April	72,000	47,000	-	-
Arising during the year	-	25,000	-	-
Used during the year	-	-	-	-
As at 31 March	<u>72,000</u>	<u>72,000</u>	<u>-</u>	<u>-</u>

A provision for dilapidations to premises is being held to cover the costs of any necessary reinstatement and repairs to the properties at the termination of the lease.

18. Pensions

The Company has recognised pension liabilities relating to two schemes, the multi-employer defined benefit pension plan for employees of the YMCAs in England, Scotland and Wales and the Hertfordshire County Council Pension Fund.

Total Pension creditor:

	2021 £	2020 £
Current	90,138	87,017
Greater than one year	822,648	794,558
	<u>912,786</u>	<u>881,575</u>

Hertfordshire County Council Pension Fund (HCCPF)

The HCCPF is a multi-employer scheme, administered by Hertfordshire County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2020 and the results have been projected forward using approximate methods, allowing for the different financial assumptions required under FRS102, to 31 March 2021 by a qualified independent actuary.

The employer's contribution to the HCCPF by the Company for the year ended 31 March 2021 was £nil (2020: £3,854).

Estimated employer's contributions to the HCCPF during the accounting period commencing on 1 April 2021 is £nil.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Financial assumptions	31 March 2021 % per annum	31 March 2020 % per annum
Discount rate	2	2.3
Future salary increases	3.25	2.3
Inflation	2.85	1.9

Mortality assumptions

Life expectancy is based on the Fund's Vita curves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long-term rate of improvement of 1.25% per annum for women and men.

	2021 No. of years	2020 No. of years
Current Pensioners:		
Males	22.1	21.9
Females	24.5	24.1
Future Pensioners*:		
Males	23.2	22.8
Females	26.2	25.5

**Figures assume members aged 45 as at last formal valuation date.*

Amounts recognised in the statement of comprehensive income	2021 £000's	2020 £000's
Current service cost	7	8
Total defined benefit cost recognised in surplus or deficit	7	8

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2021 £000's	2020 £000's
Opening scheme liabilities	162	197
Current service cost	7	8
Interest cost	4	5
Contributions by members	4	1
Remeasurements	48	(49)
Benefits paid	(1)	-
Closing scheme liabilities	224	162

Reconciliation of opening and closing balances of the fair value of plan assets

	2021 £'000	2020 £'000
Opening fair value of scheme assets	190	188
Interest income	4	5
Return on plan assets (in excess of interest income)	37	(8)
Contributions by employer	-	4
Scheme participants' contributions	4	1
Benefits paid	(1)	-
Closing value of fair value of plan assets	234	190

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Major categories of scheme assets as a percentage of total plan assets

	2021	2020
	%	%
Equities	59	48
Bonds	26	38
Property	11	10
Cash	4	4
	100	100

Sensitivity analysis

	Approximate % increase to Employer Liability	Approximate monetary amount (£000's)
Change in assumptions at year ended 31 March 2021		
0.5% decrease in real discount rate	10%	21
1 year increase in member life expectancy	3-5%	-
0.5% increase in the salary increase rate	1%	2
0.5% increase in the pension increase rate	8%	18

HCC Pension fund asset / liability

2021	2020
£	£
-	-

The scheme results produce a fair value of employer assets greater than the present value of the fund liabilities. The resulting surplus has not been recognised as an asset in the balance sheet as at 31st March 2021 or March 2020. As a result, remeasurements of £nil (2020:£9k) were recognised as actuarial movements rather than the full £10k.

Pensions – YMCA Pension Plan

The company 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 the company 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 recently completed three-year valuation was as at 1 May 2020. 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 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, which represented 79% of the benefits that had accrued to members.

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.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £36 million. The company has been advised that it will need to make monthly contributions of £9.8k from 1 May 2021. 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 8 years commencing 1st May 2021.

YMCA Pension fund liability

	2021	2020
	£	£
At 1 April	881,575	962,461
Increase in liability	118,596	-
Paid in year	(113,821)	(109,760)
Unwinding of discount included in finance costs	26,436	28,874
At 31 March	912,786	881,575
	As at 31	As at 31
	Mar 21	Mar 20
	£	£
Repayable within one year	90,138	87,017
Repayable in more than one year	954,900	895,407
Discount	(132,252)	(101,238)
	912,786	881,186

In addition, the company 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 the company may be called upon to pay in the future.

19. Group analysis of changes in net debt

	1 April	Cash flows	Non-cash	31 March
	2020	£	movement	2021
	£		£	£
Cash at bank	2,710,095	3,571,688	-	6,281,783
Loans falling due within 1 year	(66,626)	66,626	(72,003)	(72,003)
Loans falling due after more than 1 year	(1,536,034)	8,112	72,003	(1,455,915)
	1,107,435	3,646,430	-	4,753,865

	1 April	Cash flows	Non-cash	31 March
	2019	£	movement	2020
	£		£	£
Cash at bank	2,245,643	464,452	-	2,710,095
Loans falling due within 1 year	(64,432)	64,429	(66,623)	(66,626)
Loans falling due after more than 1 year	(1,602,656)	-	66,622	(1,536,034)
	578,555	528,881	(1)	1,107,435

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**20. Operating lease commitments**

The future minimum lease payments are set out below. Leases relate to the rental of properties in eight locations and one vehicle.

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
The following operating lease payments are committed to be paid				
within 1 year	359,107	116,581	359,107	116,581
within 1-2 years	306,924	69,298	306,924	69,298
within 5 years	246,624	125,703	246,624	125,703
	912,655	311,582	912,655	311,582

21. Restricted Funds**Period ended March 2021**

Group	1 April 2020	Income	Expenditure	31 March 2021
	£	£	£	£
Big Lottery Fund – YOUTHRIVE Project	-	70,943	70,943	-
HCF HAPpy grant	-	1,360	1,360	-
Big Lottery Fund – Horizons project	-	164,474	164,474	-
Children in Need	-	39,383	39,383	-
Harpur Trust	-	44,813	44,813	-
Male Victims	-	74,857	74,857	-
Violence & Exploitation Reduction Unit	-	22,182	22,182	-
Bedfordshire and Luton Community	-	6,504	6,504	-
Children in Need Covid Booster	-	3,600	3,600	-
CAST (Comic Relief)	-	5,000	5,000	-
Bedfordshire police	-	1,223	1,223	-
National Lottery Grant – Dads Aloud	-	4,313	4,313	-
Wishing Tree	-	3,500	3,500	-
Safelives	-	1,176	1,176	-
Friends of Eastcotts Fund	18,156	-	18,156	-
	18,156	443,328	461,484	-

Company	1 April 2020	Income	Expenditure	31 March 2021
	£	£	£	£
Big Lottery Fund – YOUTHRIVE Project	-	70,943	70,973	-
HCF HAPpy grant	-	1,360	1,360	-
	-	72,303	72,303	-

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Period ended March 2020

Group	1 April 2019 £	Income £	Expenditure £	31 March 2020 £
BBC Children in Need	-	14,303	14,303	-
National Lottery Grant – Dads Aloud	-	2,253	2,253	-
Friends of Eastcotts Fund	-	18,156	-	18,156
	-	34,712	16,556	18,156

Company	1 April 2019 £	Income £	Expenditure £	31 March 2020 £
BBC Children in Need	-	14,303	14,303	-
	-	14,303	14,303	-

23. Capital commitments

	2021 £	2020 £
Contracts placed for future capital commitments not provided in the financial statements	584,829	27,374

The contracted capital commitments at the 31 March 2021 relate to the conversion of three floors within Charter House to studio flats, new bathrooms to be installed at the High Wycombe hostel and leasehold improvements at two additional sites. All items are current year commitments.

24. Contingent liabilities

As at 31 March 2021, there was a contingent liability in respect of social housing grant that was awarded to the Company in prior years. There is a potential for repayment or recycling in accordance with the Regulator of Social Housing's guidance in the event that the sites were disposed of and/or taken out of social housing uses. The properties are:

- Charter House, Watford - £2.9m of social housing grant awarded in 1977 to facilitate the construction of the site.
- Peartree Lane, Welwyn Garden City - £570k of social housing grant awarded in 1995 to facilitate the construction of the Hostel 2 building.
- 4 Northgate End, Bishop's Stortford - £782k of social housing grant awarded in 1995 to facilitate the construction of the building.
- Crest Road, High Wycombe - £6.1m of social housing grant awarded between 1994 and 2005 to facilitate the construction of the scheme.

All of these assets remain in social housing use and the Company has no plans to change the status of the sites.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. Membership

As at 31 March 2021, there were 38 members of the Company (2020: 40).

26. Post Balance Sheet Events

- a) The last remaining member of the Hertfordshire County Council Pension Fund left the organisation in May 2021. As a result, a pension strain cost of £37k is payable in addition to an exit debt which is to be confirmed.
- b) An application made for funding from the Rough Sleeping Accommodation Programme has been approved by the Ministry of Housing, Communities and Local Government (MHCLG) to allow the refurbishment and fit out of underutilised space at Crest Road, High Wycombe to create 11 units of step down accommodation. A capital grant of £347,839 and revenue funding of £130,396 has been agreed.