YMCA
DOWNSLINK GROUP

ANNUAL REPORT
2021/22

(A Company Limited by Guarantee)
Registered company number: 3853734
Registered charity number: 1079570
Registered housing provider: 4644

Here for young people
Here for communities
Here for you

CONTENTS

Welcome to YMCA DownsLink Group's **Annual Report 2021/2022**

Chair's Introduction

Post pandemic recovery was a key part of last year. Although our services continued throughout the pandemic, the easing and eventual lifting of Covid restrictions allowed us to resume face-to-face work with young people in our counselling and youth services. This meant we supported 10,273 children and young people last year, an increase of nearly 4,000 on the previous year. In addition, our housing provision has increased and every night we provided over 787 young people in Sussex and Surrey with a place to call home.

As we emerged from two years of the Covid pandemic and its lockdowns, we've had to respond and adapt to the impact it's had on the people we support. Children, young people and families have been hit harder than most by the pandemic. The disruption to children's education has had a profound impact on their mental health; the lockdowns put a strain on families leading to relationship breakdown & increasing numbers of young people becoming homeless; and young people's emotional wellbeing has suffered from of a lack of face-to-face support and advice.

A significant element of our increased reach is linked to our YMCA Dialogue therapeutic services and in 2021/22 we supported 5,105 children, young people and families. This is the highest annual number in our counselling service and reflects the increasing need children and young people have for mental health support. It also shows the value we're able to provide to our school and health authority partners in providing this crucial service. However, despite this increase in provision, we're facing a societal crisis in young people's mental health.

There is an alarming national trend in the rise of self-harm, severe eating disorders, suicidal ideation and suicide attempts. Tragically in 2021, our worst fears around the mental health difficulties young people face were realised as two young people, connected to our YMCA, took their own lives. As an organisation with the safety of children and young people at the core of our mission these deaths have impacted our YMCA immeasurably and our thoughts remain with the families and friends of those two young people.

One of the learning points coming out of our review of this tragedy is that the young people we support have increasingly complex and severe needs, so in response we are investing in both safeguarding and mental health training for our staff.

We are also working closely with our partners, and I'm pleased to say how well we've been supported by Brighton & Hove City Council and Sussex Partnership Foundation Trust. They've funded two specialist mental health 'navigator' roles to work with our 24 hour supported housing teams to provide specialist skills that our frontline staff can call on to help deal with the increasingly complex mental health needs of some of our young residents.

With increasing pressures on families, we're seeing more young people leaving home in an unplanned way leading to homelessness. In addition, more children than ever before are entering the care system and our supported housing is needed for increasing numbers of young care leavers (16-18).

The organisation has continued to seek ways to support these young people and in 2021 we were delighted to open our new YMCA Hastings Foyer, a brand-new resource with 47 units of accommodation for local homeless young people and those leaving care. This project was supported by Homes England, the Rosaz Trust and East Sussex County Council and Hastings Borough Council.

Over the last year the organisation has continued to challenge itself to respond to important social movements around equity, diversity & inclusion (EDI). We recognise that as a significant employer and service provider we are part of the system and we want to be at the forefront of change. Eighteen months ago we did a complete refresh of our EDI plan. Over the past 12 months we have been implementing that plan supported by a new EDI forum involving staff from across the organisation and active Trustee involvement. As a Board we have challenged ourselves to consider EDI in our governance through an externally supported training and development session for Trustees, which has helped frame our ongoing commitment to this work.

I would like to take the opportunity to recognise the continuing commitment of our staff and volunteers, in these difficult times, for their tireless support of the mission of our YMCA. I would also like to thank all our partner organisations who add value to our work and our amazing supporters who continue to be so generous in their financial and resource support of our charity.

Lastly, I would like to thank my fellow Trustees for their commitment and hard work, especially James Lister and Richard Neuraker, who both retired from our Board of Trustees this year after amazing service to both YMCA DownsLink Group and before that Sussex Central and Guildford YMCA.

Fran Beckett

Fran Beckett
Chair of Board of Trustees

CEO’s Introduction

Over the past decade our YMCA has focused on growing our reach to support more children and young people across more communities. This ambitious growth strategy was a direct response to a decade of declining investment in public services and the associated increase in child poverty and inequality in our society.

I’m proud of the ambition we’ve shown to grow our services and fill the gaps that have emerged in services for the most marginalised in our communities.

Like most charities, we’ve been impacted by two years of Covid and operated a business continuity plan, ***Safer, Smarter, Stronger***, through 2020-21. With the easing of Covid restrictions we implemented a two-year Covid recovery strategy, ***Building Strong Foundations*** (21/22) to support Covid recovery, build a stronger organisational infrastructure to better support recent growth, and provide the foundations for a new long-term strategy in 2023.

Strategy objectives

Strategy Goal

Building Stronger Foundations

Objectives

1. Review operations against our strategic principles
2. Assess & define our referral thresholds
3. Develop people strategy & culture
4. Refresh business plan & review and refine our financial rules
5. Develop long term strategy 2023-27

Principles

- Balance- housing, charity, contractor
- Service priorities- supported housing, emotional wellbeing, youth services
- Referral thresholds- early help, prevention, targeted/ specialist
- EDI & ‘bottom up not top down’ culture
- Operating surplus 2024
- Liquidity of £1.5M
- Skilled, diverse & resilient workforce
- Strong & collaborative partnerships
- High quality & maximum impact - underpinned by effective systems, compliance & governance

Our ***Building Stronger Foundations*** strategy included significant investment in the infrastructure of our YMCA. We added additional skills and capacity to our Leadership Team with new Directors of People & Culture, Housing & Communities and Finance & ICT to work alongside our existing Directors of Children & Young People and Fundraising & Communications. We're implementing a new IT Strategy and have invested in a new IT support provider to ensure effective use of ICT to underpin our work. We have also reassessed the long-term investment requirements of our building assets through a Stock Condition Survey and specific Fire Safety Plan.

Leadership Team

Rachel Brett
Director of Children and Young People

Bobby Dhol
Director of Finance and ICT

Jayne Grier
Director of People & Culture

Satnam Kaur
Director of Housing and Property Services

Nikki Mason
Director of Fundraising and Communications

At the forefront of our work this year has been our continued focus on safeguarding. With a significant increase in safeguarding alerts within our projects we prioritised a **reassessment of our referral thresholds** to understand this trend. This work showed both a significant escalation in young people's support needs and risky behaviours, alongside an increase in statutory thresholds, meaning our stakeholders are referring young people with higher needs and greater risk profiles to our services. Despite the increased risk to the organisation, we decided not to reduce our referral thresholds, but to rearticulate our commitment to supporting the most marginalised and at-risk children and young people. To do this, we've identified additional investment needed in clinical support, specialist training, staffing and governance. We've also recognised that we need to evolve our relationship with key partners and stakeholders and take an approach of shared responsibility as the only way to meet the changing, and more complex needs, of children and young people.

We undertook an ***Operational Review*** to support our strategy, ***Building Stronger Foundations***. The key points were; we are at our best as an organisation when our work is focused on at-risk and vulnerable children & young people; we want a stronger focus on the impact of our work rather than continued expansion. This led to a significant decision sell our large student housing asset in Guildford, The Bridge, reinvesting the proceeds to support our core mission.

Like many charities the last few years have been financially challenging, from the impact of Covid, to the recent inflation trend and cost of living crisis. One of our strategic goals was to refresh our business plan to support organisational investment whilst ensuring we continue to meet our key financial rules promoting long term financial sustainability. The sale of The Bridge student housing project in Guildford will support cashflow and reduce our depreciation provision. Our investment in fundraising is starting to provide additional income to balance out the continuing reduction in public sector contract funding. But, like many other charities, the lack of public sector funding support for the sector remains a significant challenge.

As we look forward to the launch of our 2023 long term strategy, it is clear we will be doing this against a very difficult social, economic, and political environment. In my 13 years with the organisation, I've not known a time when we've faced so many challenges at once. However, I'm a great believer that the most challenging times are an opportunity for genuine positive change. I believe our organisation's strong mission will help us find the right answers. The strength of our partnerships, built up over 20 years, will enable us to work together to find innovative ways to achieve our shared goals. And, I believe the communities we work in will continue to support an organisation committed to helping young people belong, contribute and thrive.

Chas Walker
CEO YMCA DownsLink Group

Vision, Mission & Values

Wherever YMCA DownsLink Group operates across Sussex and Surrey, whatever the service provided, the vision is the same... to transform communities so that all young people can belong, contribute and thrive.

Our Services are found in the heart of communities, working with children, young people and their families, offering support & advice, housing, family & youth work, health and wellbeing, and training & education.

In preparation for our new long-term strategy, we're refreshing our mission and values. This work aligns with changes to the YMCA England & Wales purpose statement.

Vision

An inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

Mission

We stand together with children and young people who are at risk; keeping them safe, supporting their emotional wellbeing, and enabling them to belong, contribute and thrive in their local community.

Values

- **We welcome -** we offer people the space they need to feel secure, respected, heard and valued; and we always protect, trust, hope and persevere.
- **We inspire -** we strive to inspire each person we meet to realise their full potential in all they do.
- **We support -** we are committed to the wellbeing of the communities we serve and believe in the positive benefit of participation, locally and in the wider world.
- **We speak out (NEW) -** we stand up for young people, speak out on issues that affect their lives, and help them to find confidence in their own voice.

Although our values have not changed, we have added a new one. As an organisation at the heart of championing young peoples' voices we want to signal our clear intent to 'speak out' alongside young people on the issues that impact them.

Alongside that, we are working hard to ensure that our YMCA has a culture in which people can speak out about any issues they are passionate or concerned about and in the knowledge they will be heard.

Our Year in Numbers

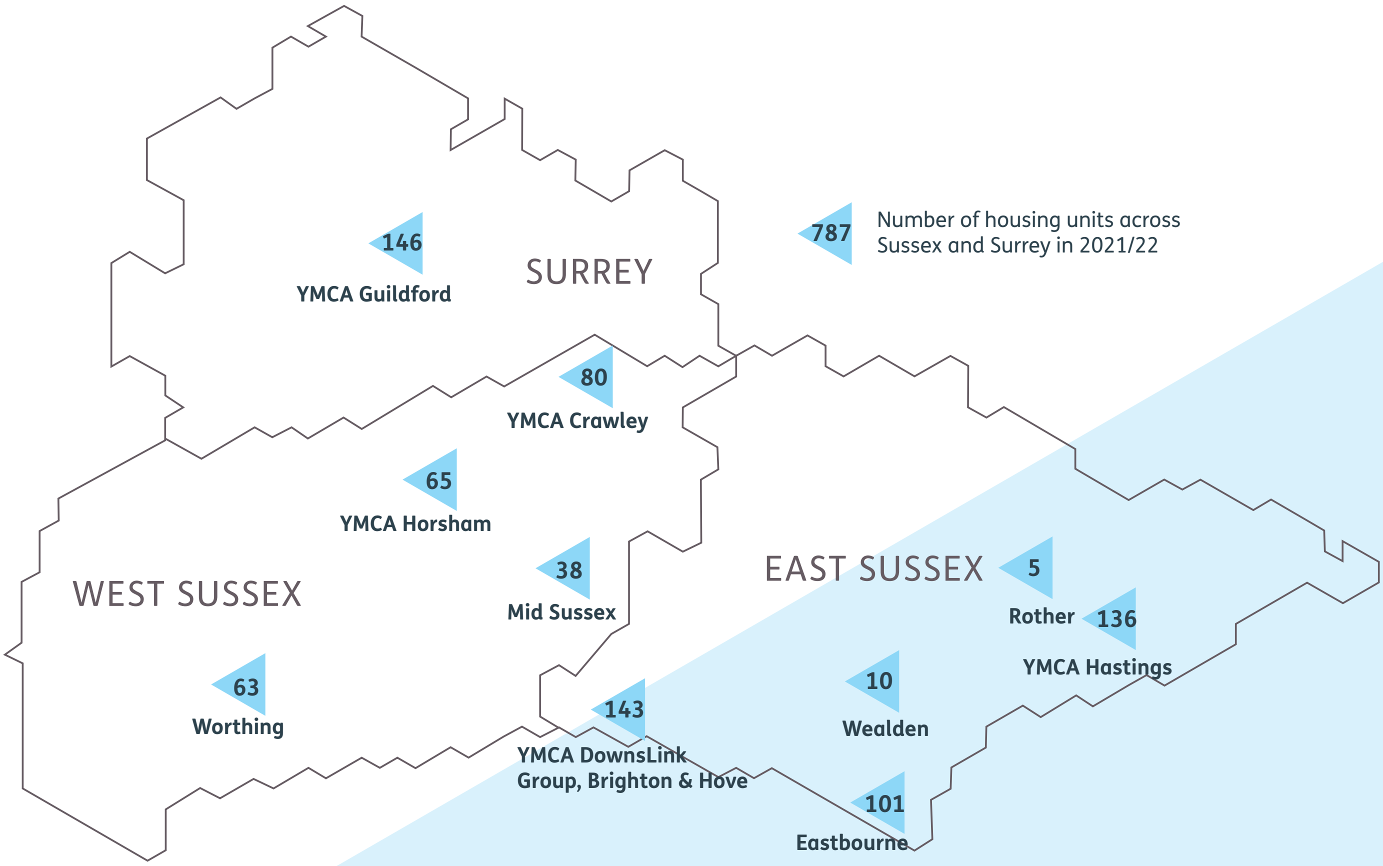
10,273 children, young people and families used our services

5,105 children, young people and families provided with counselling wellbeing, emotional support

787 people given a home every night

96% moved on successfully to independence

142 volunteers supported our work



Story of the Year

Commitment to Tackling Youth Homelessness in our Communities

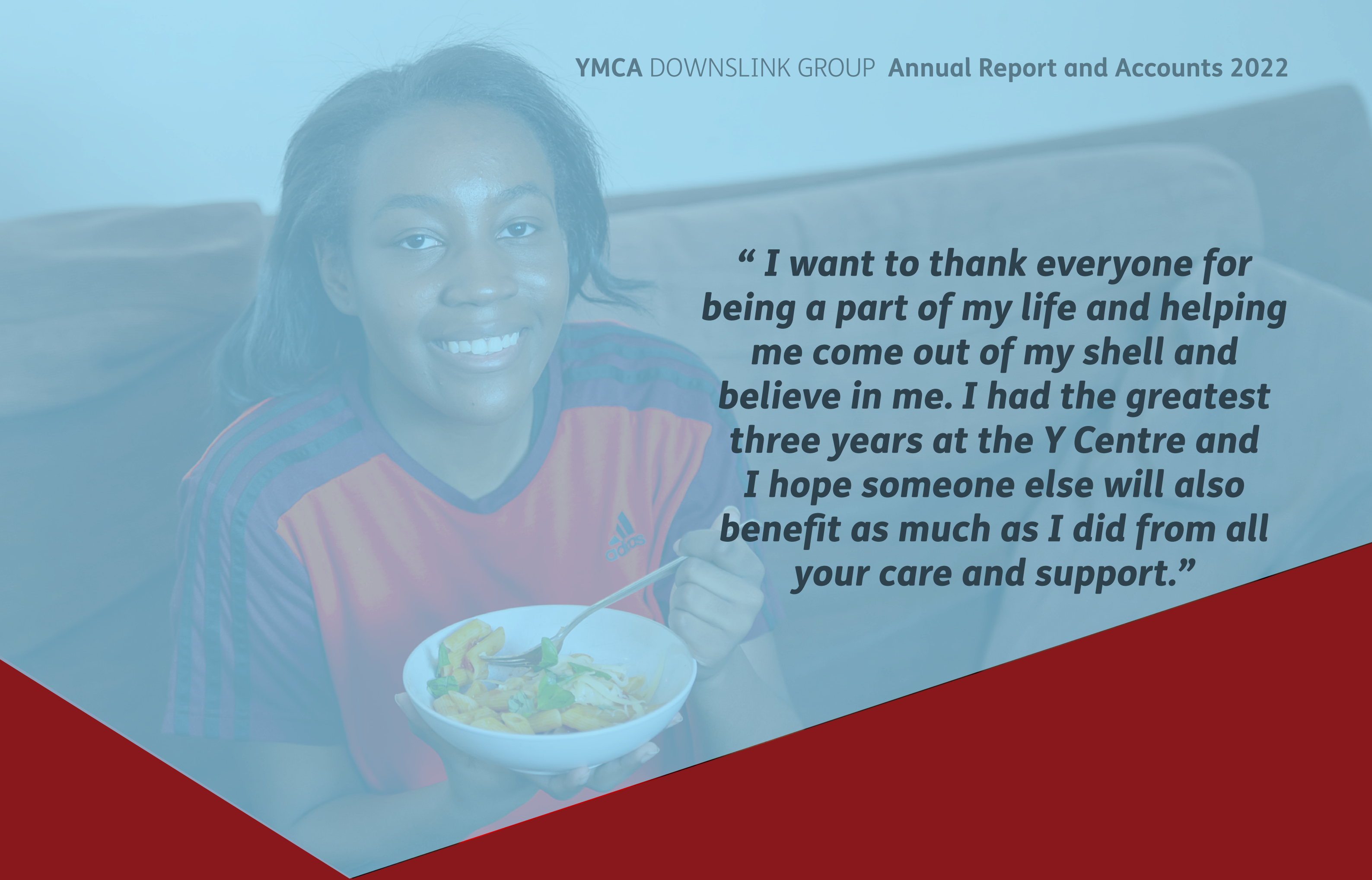
Youth homelessness continues to grow in our community. At the start of the pandemic we saw a 61% increase in the number of young people presenting as homeless. Although this dropped in 2021, it has stabilised at around 37% higher than pre pandemic levels. This continues to put a strain on our services, from our Youth Advice Centres, to our supported housing projects.

Despite the challenges, our commitment to tackling youth homelessness in our communities is unwavering. The number of beds provided during the period increased from 764 to 787. On average a young person lives with us for around two years. This stability, after a chaotic start in life, can make all the difference to their long term future.

But, more than a bed, we provide a home to those young people; we put them back on a pathway to an independent future. Our 'More Than a Room' programme gives children and young people a way back into education, training or employment and the life skills they need to 'move on' into successful independent living.

Last year 315 young people moved on to independence

YMCA DownsLink Group's work to tackle youth homeless is based on important partnerships with our local authority housing partners. These partnerships support the funding of our housing related support services and create referral pathways into our services to ensure those most in need can access the housing and support they need. We would like to recognise and thank all our partners for their ongoing support of our work.



" I want to thank everyone for being a part of my life and helping me come out of my shell and believe in me. I had the greatest three years at the Y Centre and I hope someone else will also benefit as much as I did from all your care and support."

Susie's story

Susie was the second youngest from a big family with older children and a single mum. Her mum worked very hard to look after the family and despite moving around a lot it was a happy home. Then her mum's boyfriend abused her little sister and everything changed. After a difficult time involving the police, courts and social services her little sister was moved into foster care. Because Susie was 18 she ended up alone and estranged from her family. Living in a rural location Susie was scared and lonely. She stopped going to college and was finding it hard to cope. That's when she was referred to YMCA DownsLink Group and was given a home in our 24-hour accommodation.

> *"I was super excited to start living somewhere that allowed me to be close to transport, shops, and help with anything I needed. It was a blessing.*
>
> *The YMCA where I live has been so supportive and helpful.*
>
> *During my time here I recently started a fast-track A-level in Mathematics and I was later surprised that I needed to pay for exam fees, so I asked for staff members and they helped me fill out a form so I could get access to funding that could help pay for them.*
>
> *In the future I wish to be an Astrophysicist. My goal is to get into university this year and get one step closer each time with obtaining a Masters and then achieving a PhD."*

We're delighted to report that Susie left us in September 2021 to take up a university place.

Increasing Provision in Sussex

We were delighted to be able to open a new 47 bed, 24 hour supported accommodation in Hastings.* The new Foyer has been welcoming residents since October 2021 and has so far supported 65 young people, including 13 care leavers and 17 unaccompanied asylum-seeking children.

Our success rate for positive move-ons is 96% with several moving to our own transitional housing

"The South Coast has historically attracted those experiencing homelessness. Hastings and St Leonards face consistent challenges in relation to poverty, levels of deprivation and homelessness, so we are delighted to be able to provide high-quality accommodation and a holistic support offer to young people locally. We've worked closely with the local council and other partners to ensure that this service embeds well into the local community."

- Anna Cooley-Greene

Anna Cooley-Greene and YMCA colleagues during the construction of the Hastings Foyer

Hastings Foyer staff outside the building

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* This development was supported by Homes England capital funding, Rosaz Trust grant loan funding and Charity Bank loan facility. We would like to thank these partners for their funding support of this important new facility in Hastings.

Homes England

Charity bank
a bank for good

UASC (unaccompanied asylum-seeking children)

In 2021 the number of unaccompanied asylum-seeking children living with us doubled, with 14 different countries represented. Looking after these young people brings new challenges, particularly as many arrive traumatised, with nothing but the clothes on their back. Our staff embrace their work with these young people, ensuring that they access all the support available to them, from language courses and education to emotional wellbeing, and even supporting their fundraising challenges. Our chaplaincy teams have also worked hard to make sure family connections continue where possible by using Zoom calls, marking significant cultural holidays and working with them to create familiar food at chaplaincy sessions.

Thanks also to the support of two local translation companies, ABC Translations and Transbright, we've been able to translate vital documents into six different languages, helping us to better support the needs of these young people at a significant financial saving to the organisation.

Project worker Mo Pearce took on Hastings half marathon with two residents

Elly McKay-Smith, East Sussex and Guildford Chaplain, used Zoom to meet the families of two residents from Afghanistan

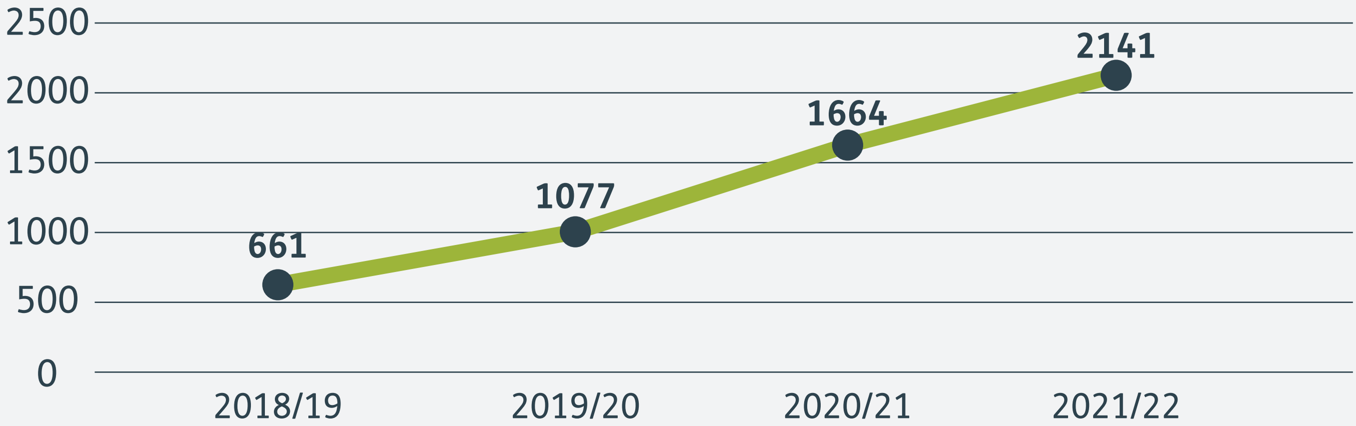
"The YMCA has been very good for me – they take care of me, when I'm sick they check in with me and they make sure I am alright – make a drink if I need. For example, with current tooth pain, they support me to feel better and still get to college, which is very important. Also on Tuesdays, we are cooking together, eating together and talking, which has helped me with improving my English, and it's welcoming. In the country that I have come from, I did not have these things. So being in England is better for me."

- Kiki, YMCA DLG resident

Prioritising Safeguarding

Safeguarding was one of our biggest priorities in 2021/22. Over the past four years we have seen an upward trend in safeguarding concerns. In 2021/22 we recorded our highest ever number of alerts; 2,141 concerns were raised about 1,477 individuals. This reflects the increasingly complex mental health needs of the children and young people using our services and the rising statutory thresholds for care and support.

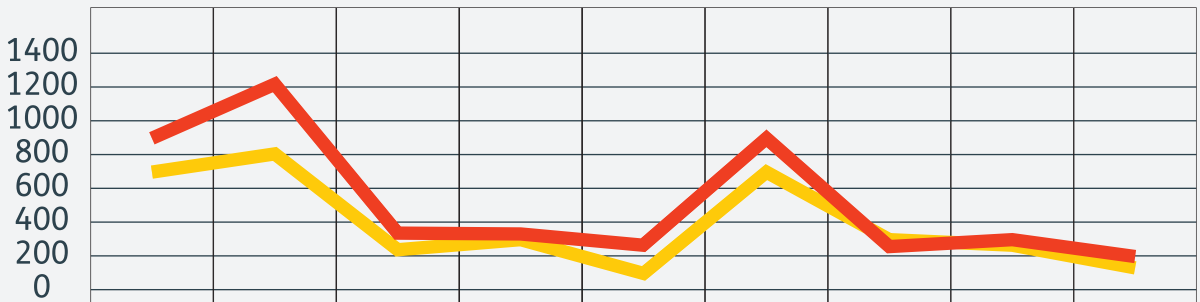
Number of safeguarding incidents



(This figure represents ALL concerns raised; it is important to note that YMCA DLG monitors external reports to statutory agencies (51%) and monitors safeguarding alerts that don't meet thresholds for a statutory response but are of concern (49%).

We are also seeing a very concerning increase in the number of children and young people who are a risk to themselves, through suicide ideation or self-harm. The graph below clearly shows that these risks have increased on the previous year. Our frontline staff in our housing projects are supporting young people with more mental health issues than ever before.

Risk to self (April 2020 March 2022)



	Self harm	Suicide ideation	Suicide attempt	Substance misuse	Alcohol misuse	Mental helath	Home-lessness	NEET	Eating Disorder
Total 2020/21	720	805	235	347	94	718	279	251	155
Total 2021/22	945	1202	339	376	269	927	259	281	199

In order to be able to continue to support these children and young people we are investing significantly in safeguarding, including increased training for staff, clinical support and higher staff ratios.

Young People's Mental Health

YMCA DIALOGUE
Counselling and therapeutic support for children, young people and families

e-wellbeing
POWERED BY YMCA DownsLink Group

There is no doubt that we face a societal crisis around young people's mental health and wellbeing. The number of young people seeking help for mental health and emotional wellbeing issues was rising pre-pandemic, but in 2021, the lifting of Covid restrictions illuminated the full scale of the problem.

The surge and ongoing increase in need was (and continues to be) felt across all of our children and young peoples' services; from our supported housing projects to our counselling services and youth advice centres (YMCA YAC). Our YMCA Dialogue school and community counselling service saw an increase of almost a third in referrals of school-age children, compared to the previous two years.

As the volume of demand for services continues to rise, provision and resource continues to play catch up, leaving young people faced with a build-up of waiting lists across the system. Increasing numbers of children and young people are waiting for a long time to be seen, which in turn, can increase risks related to self-harm, suicidal ideation and attempts.

We are doing all we can to address this crisis. We're working closely with all of our statutory and NHS partners to try and secure extra funding to recruit more specialist staff and counsellors. This resulted in a 40% increase in provision in 2021.

bacp | Accredited Service
collective mark

In addition, we continue to invest in digital wellbeing services, such as www.e-wellbeing.co.uk so that young people can find mental health information and self-help advice online.

11,767 visitors to the e-wellbeing platform, seeking support for anxiety, self-harm and way to access mental health services

In 2021 we also extended the reach of the online programme through group work within schools via the 'mental health champions' programme, where students themselves are empowered to look for solutions in their own schools and devise ways in which emotional support can be enhanced in schools.

"I enjoyed being a Champion because I can help others with mental health and help them feel safer."

Our self -harm resources were viewed over 2,500 times

In 2021, we launched the joint initiative, the Self-Harm Learning Network (SHLN) (working in partnership with West Sussex Mind and Allsorts) - an initiative to help children and young people at risk of self-harm. The network provides inclusive training for parents and professionals, focus groups with young people, and a range of helpful resources (via www.e-wellbeing.co.uk/sh-resources) to support youth mental health and self-harm. The network is a supportive community, focussed on ways to cope with a child or young person who is self-harming, as this is such a distressing and increasingly prevalent issue.

In 2021 our Self-Harm Learning Network organised 32 events, attended by 333 schools and professionals and 187 parents and carers

The work of YMCA Dialogue is supported by a number of important partnerships. Our work with 47 schools across Sussex is critical to the mental health of children and young people. We would like to thank all these schools for the investment they make into our YMCA Dialogue services

In addition to this we are pleased to work in partnership with Sussex Partnership Foundation Trust, as their partner of choice for community wellbeing and therapeutic services for children and young people across Sussex.

NHS
Sussex Partnership
NHS Foundation Trust

Supporting Young People in Their Communities

YMCA WiSE PROJECT
Supporting children and young people to stay safe in their relationships

YMCA YAC
Advice and support for young people aged 13-25

Our targeted services for young people continues to be an increasingly important part of our mission. We know that early prevention provides the best outcome for young people.

Y Girls campaign

We were delighted to receive funding to be part of YMCA England and Wales' Y's Girls Programme; an early, effective, mentoring initiative that matches trained volunteer mentors from a range of different backgrounds in the Brighton & Hove community with female-identifying young people aged 9-14 years olds. Y's Girls aims to help build resilience and reduce the likelihood of young girls developing mental health concerns, by improving their confidence, skills and engagement with their communities. To date we have worked with 20 girls in Brighton, and taken part in a national evaluation of the programme.

YMCA WiSE

During 2021/22 YMCA WiSE provided one to one support to 155 young people who were being sexually exploited across East Sussex, Brighton and Surrey. The team also began a new project working with the Sussex Police providing brief interventions for young people who had shared inappropriate images online, providing education and support about staying safe online. The team continued to support schools, health and social care, providing specialist independent support for both young people and professionals.

"My WiSE worker has been a massive help. I am more able to talk about my problems and have many resources and strategies to cope with flashbacks and things that happen because of the trauma. I would not be where I am now without their extraordinary work."

- YMCA WiSE client, 17

WiSE Up to Exploitation Campaign

Working in partnership with Sussex University, our YMCA WiSE project delivered an award-winning, high-profile campaign, aimed at young people to help them understand the exploitation (child criminal exploitation - CCE) and harm caused to other young people by buying drugs. As well as extensive media coverage the campaign generated the support of local MP Peter Kyle, who is Shadow Minister for Victims and Youth Justice.

Youth Advice Centres (YMCA YAC)

Our Youth Advice Centres (Brighton, Crawley) continue to offer a vital service to young people needing support and advice and the numbers accessing them continue to grow.

Brighton YAC

The numbers of young people presenting as homeless during 2021 continue to put a strain on this vital service. In addition to issues around homelessness the team also identified an increasing pressure on young people's finances.

In response, working in partnership with Brighton & Hove City Council, Brighton & Hove Food Partnership, FareShare Sussex, Neighbourly, Brighton & Hove Food Factory, and Sussex University, YAC Brighton have opened a Food Market for young people in the Brighton area aged 16-25.

Its aim is to support young people in accessing healthy, low-cost foods and essential products at a simple one-stop shop. It is an easy way for young people who struggle to afford the rising cost of goods, to access locally produced fresh foods and supermarket surplus, as well as providing a modern and sustainable approach to food waste and food poverty.

"I would highly recommend these guys to everyone. So kind, caring and supportive."

- YAC Brighton service user

Crawley YAC

In April 2021 the LGBTQU+ Haven was launched at YAC in Crawley as a pilot project, offering local young people (aged 11-25) access to weekly youth groups, as well as 1:1 support sessions, all facilitated by a dedicated team of LGBTQU+ Youth Workers and Volunteers.

The service was developed by the team at YAC following several years of consultation between local youth organisations and Crawley Borough Council. Young people said they were frustrated about there being no support locally and said travelling to Horsham or Brighton to access support with Allsorts Youth Project (AYP) presented a significant barrier to them accessing support.

Safe spaces like LGBTQU+ Haven are crucial, as we know that young people who identify as LGBTQU+ are disproportionately affected by homelessness, often caused by violence, abuse, or rejection in the family home, as well as insecure employment and mental health problems (including self-harm and suicide). We're delighted that funding has been secured to continue the valuable work of the project.

Room to Rant

Room to Rant is a partnership project delivered by AudioActive and YMCA Downslink Group, giving young men aged 16-25 a space to get stuff off their chest, through rap and spoken word workshops. Young people involved in the weekly groups are also able to access 1:1 counselling with our in-house Room To Rant Counsellor. The project has now been running for four years and has broadened its reach across the whole of Sussex, with groups taking place weekly in Eastbourne, Brighton, Crawley and Worthing.

The counselling element of the project, provided by YMCA DownsLink Group, is essential. If any concerns arise within group sessions our counsellor can take the young men aside to check in on them and offer them the opportunity to access one-to-one counselling outside the group. The impact on the young men involved in Room to Rant is profound, with many engaging in therapeutic support for the first time as a result of their engagement with the project.

"The group allows participants to get to know me in a more casual setting before accessing counselling. We can build up trust, which is key in enabling these young men to be open to the counselling process."

- Katy, Room to Rant Counsellor

Youth Engagement – Eastbourne

Our youth engagement programme in Eastbourne continued to deliver a fantastic programme of events. They ran (and continue to run) five weekly clubs in the most deprived areas of the town and delivered a summer skate programme that reached over 500 young people. The youth engagement team offered a range of holiday activities and provided free meals for young people most in need.

"The YMCA Youth Club makes me feel accepted and supported."

- Eastbourne Youth Club attendee

We would like to recognise and thank all our partners for their ongoing support of our work:
Surrey PCC, Heathrow Community Fund, CIN, Sussex PCC, The National Lottery Community Fund, Children In Need, Advice Matters, Hyde Charitable Trust, Youth Partnership, Blagrave Trust, Tesco, Brighton and Hove Emergency Food Network, Youth Access, Brighton & Hove City Council, The Ernest Kleinwort Charitable Trust, Devolved Budget Langney, HAF, EBC, West Sussex Clinical Commissioning Group, Nationwide Community Grants, Crawley Borough Council, Safer Crawley Partnership, Comic Relief

Community Support for YMCA DLG

We were overwhelmed by the community support shown to the organisation in 2021. From community bakers providing over 250 bakes a week to our projects in Brighton & Hove, to volunteers working alongside residents to create gardens at our housing projects, or, companies offering mentoring and work experience, it has been a year when community engagement has shone through.

Sussex Bake Down made celebration birthday cakes for our residents as well as providing weekly home-made bakes for our housing projects

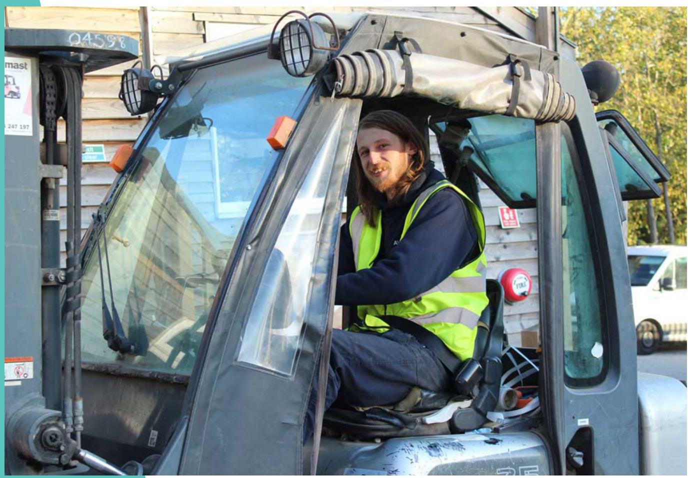
Our volunteers are at the heart of our organisation. These amazing people enrich our work with young people and directly impact our ability to transform young lives.

Last year 142 active volunteers supported our work, providing over £80,000 worth of support to our projects and young people

Providing positive employment opportunities for our young people continues to be a key element of our support and an important part of their journey to independence.

Our partnership with AVS Fencing is a great example of how local businesses can support us to provide meaningful work experience for our young people.

Jack, pictured below, was offered a permanent job with AVS after a successful placement project.



"This whole project with YMCA DownsLink Group has been incredibly rewarding, not only for Jack but also for me and the rest of the AVS team. I am so proud of how Jack has developed, and how the branch team has embraced and supported Jack over the past three months. We can't wait for him to be a fulltime member of the team."

- Manager at AVS

Our People

Our employees (381) and volunteers (142) are our biggest asset. Due to the pandemic, 2021/22 was another challenging year for everyone working within a care setting or with vulnerable people. But our people rose to the challenge, and we maintained all our services despite frequently changing Covid guidance and intermittent lockdowns.

In January 2022 we ran our first staff survey for two years. We used external support through Great Place to Work, who ran the survey for us and we achieved both the required level of response from staff and trust score to be accredited as a great place to work. Staff feedback identified a number of important areas our People Strategy can focus on to support us in providing a first class experience for our staff.

Great Place To Work®
Certified
JUL 2022-JUL 2023
UK

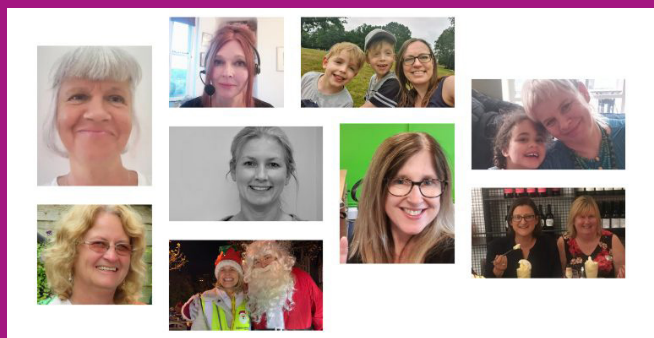
Recruitment remained a challenge across our sectors. Our voluntary turnover rose to 30% in the reporting year from 25% in the previous year, as some people chose to move into new sectors or different roles in the 'Great Resignation' phenomenon.

We continued to implement our reward & recognition strategy, a £900K investment commitment over three years to increase staff pay, with our second planned salary uplift in April 2022. We upgraded our benefits beyond remuneration. In Autumn 2021, we introduced a new Employee Assistance Programme, and we reviewed several of our people policies to ensure they reflect best practice and are in line with other employers in our area.

In June 2021, we launched a new Equity, Diversity and Inclusion Plan (read more about this work on page 26). In March, we ran our first staff engagement survey for two years.

We continue to offer a broad range of mandatory training with 93-96% performance on completion of mandatory training and over 4000 individual learning and development opportunities, with a new focus in early 2022 on 'Bitesize' skills development sessions for managers.

Our thanks and appreciation to all our people who have shown themselves to be resilient, inclusive, efficient, productive and adaptable in the last year.



For international Women's Day we celebrated 331 years collectively of women in our YMCA who've worked for us for 15 years or more. It became one of our most popular posts on Facebook.

Chaplaincy

YMCA CHAPLAINCY

Providing a non-judgemental space to discuss, explore, listen and support

"A seamless service that is blended into the ethos of the YMCA."

- YMCA DLG staff member

Chaplaincy is a unique offer at our YMCA and is so much more than a listening ear or tea and cake. Our chaplains are a consistent presence within our housing projects and offer both staff and residents a space in which to relax, reflect and talk about whatever may be going on in their lives.

Chaplaincy meals are a weekly fixture in our projects and are greatly valued by our residents as a way of connecting with each other and giving them a sense of family, and helping the housing projects feel more like a home.

In 2021 we commissioned research to review our chaplaincy service and identify ways in which we can report it's impact. This is due to report in autumn 2022.

"I give the chaplaincy sessions 10/10."

- YMCA DLG resident

"Without Chaplaincy, it would have taken me much longer to find the confidence to speak to others. When I first moved to the Foyer I didn't speak to anyone for the first 2 weeks. I don't know why, but Chaplaincy seemed like a safe place to introduce myself. I felt Chaplaincy was a space where I felt comfortable, it helped me with my ability to talk to strangers, a place where I could get things off my mind and chest, every week, and gain outside views, different points of view, and outside advice – including from the other young people attending Chaplaincy, who then became my friends."

- YMCA DLG resident

Fundraising

Despite external challenges, 2021 saw our fundraising strategy continue to gain momentum and impact. New and existing trust funders enabled us to continue to deliver our vital support and advice work for young people at YMCA YAC in Brighton and Crawley, redevelop much-needed accommodation in Eastbourne and continue to offer dedicated support for young people experiencing or at risk of exploitation. We also increased our individual supporters and developed some fantastic new relationships with local businesses, doubling our company donations from the previous year.

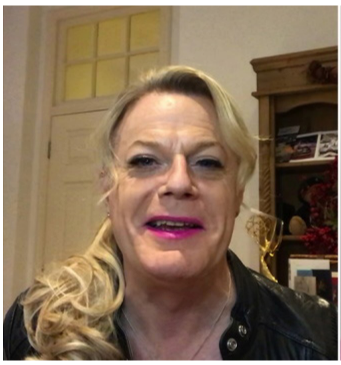
We have secured funding pledges of over £100k to enable us to start developing our innovative, digital, housing related support programme which will help our staff to support young people in their journey towards full independence.

Room Sponsorship Campaign

We launched an individual giving campaign to encourage regular giving and to enable donors to support our charitable work on a regular basis. This is supported by continued digital acquisition and digital marketing campaigns. We now regularly engage with our local communities who are keen to find out more about the work we do. As part of this, we invested in a CRM system to help manage and communicate with our generous supporters in a more bespoke and regular way.

Launch of The DownsLink Challenge

Our inaugural sponsored walk along the picturesque Downs Link Pathway took place on a roasting hot day in July. Over 100 participants, including staff, trustees, residents, ex residents, businesses and supporters, took part and walked or ran 16 miles between Horsham and Shoreham raising nearly £19,000. The campaign was also supported by celebrity ambassadors, Eddie Izzard and Sharon Gunnell OBE. It was a fantastic day and a great opportunity for staff, young people, local companies and individual supporters to come together after a difficult year of isolation.



We would like to thank the following philanthropic trusts and local companies/organisations for their invaluable and ongoing support for our community and support services:
All Churches, Austin Hope and Pilkington Trust, BBC Children in Need, Chalk Cliff Trust, Community Foundation Surrey, Fonthill Foundation, Hyde Housing, LandAid, The Blagrave Trust, The National Lottery Community Fund, Toyota, UFI VocTech Trust.

Corporate Partners

As a way to engage corporate partners and businesses we developed a Membership Movement to offer an easy way for local businesses to support our charity. This has been highly successful, and we were extremely grateful for the support received from more than 50 local businesses. Some of these businesses have been nurtured to go on to name us as their Charity of the Year thereby increasing their contribution to our cause.

"Good News were more than happy to donate footwear to YMCA and help play a small part in providing practical support to young people in need. Having previously collaborated with overseas charities, it made sense for us to turn our support to local communities too, and considering the amazing and vital work undertaken by the charity, choosing to support YMCA was a no-brainer for us!"

- Good News Shoes

In 2021 sign-ups to our Membership Movement have gone from **32 to 64,** we have **six** Corporate Room Sponsors and **two** businesses have chosen us as their Charity of the Year

Resident in Worthing proudly holding her new shoes, donated by Good News Shoes

"As a company we understand that the future rests on our youth getting a fair deal as they grow into mature adults, so any contribution we can make to improve their chances is an essential part of our social responsibility."

- Audio Note

"Very happy to support our young people who have been hit so hard during the pandemic."

- Medex

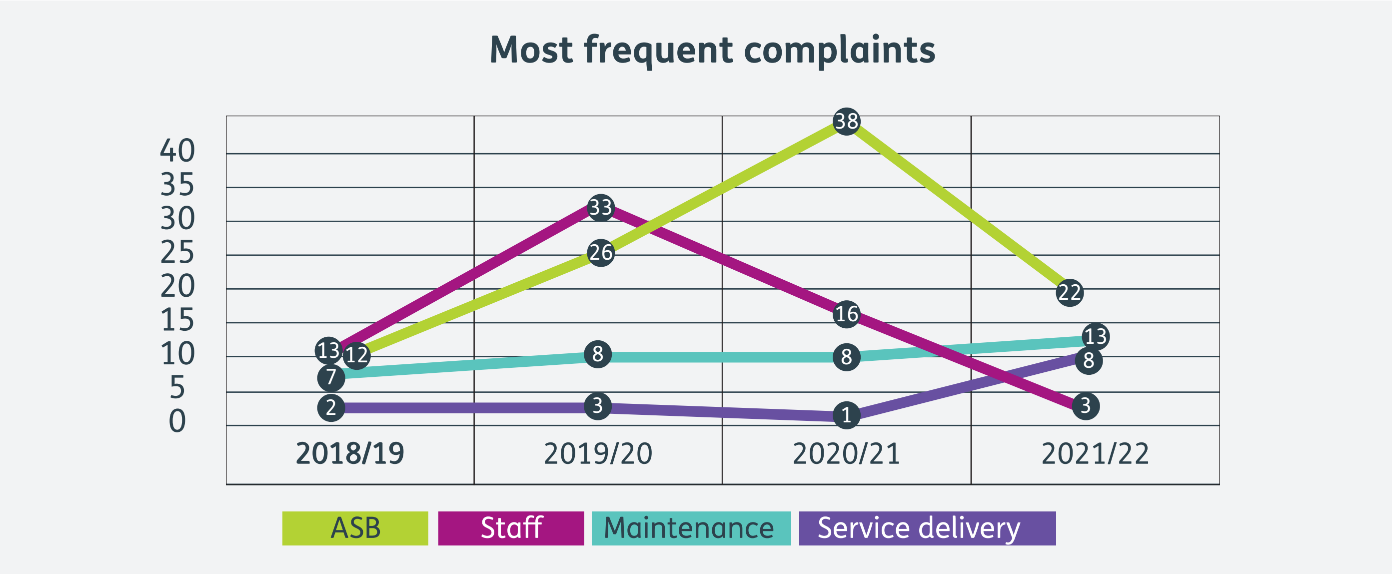
We would like to thak all our corporate partners for their support of our work:
33KV Ltd, ABC Translations, Acoustic Associates Sussex Ltd, Amplicon Liveline Ltd, AR Lets, Assurity Consulting Ltd, Audio Note UK Ltd, Austin Rees, AVS Fencing Supplies Ltd, Big Hug Brewery, Boxpark, Brightec, BRS Global, Burt Brill & Cardens, Capital Consulting International Ltd, Consort Frozen Foods, Cordek Ltd, DEH Electrical, DMH Stallard LLP, Griffiths Smith, Doyle & Tratt Products Ltd, Varilight, Eastbourne Auctions, Fowler Building Contractors Ltd, G M Monk Ltd, Graphite Digital, Green Day Generation, Hastings Direct, Herbosch-Kiere Marine Contractors, iCrossing UK, Ingenio Technologies, International Collection, JC Care Ltd, John Lewis, Leaders Roman Group, Medex Scientific UK Ltd, Mott MacDonald, Oban International, OHM Energy, Pagoda Security, Patty&Bun, Philips, Photek Limited, Principal Corporation Ltd, Pryer Construction, ServiceMaster Clean, Small World Accessories, Southern Counties Janitorial, Sovereign Cargo Ltd, The Guildford Lighting Centre, The Mayday Group, The Social Kinetic, TLF Investments Ltd, TransBright, Transcool Systems Ltd, Trident, West & Berry, Wilbury Stratton, Wright Flow Technologies.

Health & Safety

This year we had 233 recordable health and safety related incidents of which 4 were reportable as serious incidents under our Charity Commission requirements. There were no RIDDOR reportable incidents.

Complaints

We have also seen a reduction in complaints from clients we work with and also other complainants such as our neighbours and parents/carers of clients; complaints reduced by 23%, from 87 to 67. Anti-social behaviour is our most frequent type of complaint which reduced by over 40% on the previous year. We experienced a rise, however, in maintenance-related complaints. From looking at our learning from complaints, we have learnt that we need to review our maintenance request procedure and ensure residents are clear as to the right route for their complaint according to which property they are in (YMCA DLG responsibility varies according to whether we own the property, lease the property or have a management agreement in place). We need to be clearer with residents about the variations.



This year the Housing Ombudsman revised the Complaints Code and we have adjusted our procedures and are working through an action plan which includes reviewing how and what is reported to the Board, and having a governance lead for complaints.

Equity, Diversity and Inclusion

Inclusiveness is fundamental to the ethos of the YMCA Movement. YMCA DLG remains committed to being an organisation where people want to work, where they feel welcome and want to stay. We also want to provide services that transform young lives and reflect young people's communities and are based on our organisational values: we welcome all, we inspire, we support and we speak out.

As a board of trustees, we are committed to achieve equality of opportunity, diversity and inclusion in all YMCA DLG activities.

Since our Equity, Diversity and Inclusion Action Plan was approved in September 2021 (this sets out how we intend to reach our goals of being a truly inclusive organisation, employer, and service provider) we have:

- Ensured all trustees participated in a bespoke D&I training session, facilitated by governance expert Tesse Akpeki
- Secured the support of an external translation agency to ensure that 'Move In' documents for young unaccompanied asylum seekers in our supported accommodation are available in Sudanese Arabic and Tigrinya (Eritrea), Dara (Afghanistan) and Amharic (Ethiopia)
- Strengthened our commitment to the correct use of pronouns that people have stated they go by – updating our Code of Conduct, commissioning training from Stonewall Housing and publishing an article on International Pronouns Day
- Reviewed the way we collect diversity data for employees and published this on MACY (our staff intranet)
- Agreed our priorities for action in 22/23

Looking ahead to 2022/23, the Diversity and Inclusion Forum will be relaunched. The Forum will meet on a quarterly basis and will feature a speaker or themed discussion. These sessions will be open to all staff. In addition, there will be sub-group meetings, colleague networks and safe spaces for specific guidance, action and support on one or more of the protected characteristics (gender, sexual orientation, gender reassignment, race, disability, age, religion or belief). Other priorities include supporting staff and clients to attend the Brighton TransPride event, recruiting new trustees and establishing a Youth Champions board (part of wider Youth Involvement Strategy).

A member of the board continues to sit on the YMCA DLG Diversity and Inclusion Forum (alongside staff and service users), and we welcome their contribution to support our efforts to implement our Action Plan.

Organisational Risk

Risk register

This year we undertook a formal refresh of our organisational risk register. We used an external consultant to help facilitate the review and provide an external lens to consider how we map and report risk in line with best practice for housing associations and charities. This was to support the Board's responsibility for risk under our Code of Governance.

This review identified four strategic level organisational risks that require regular monitoring with the Board, three of which were safeguarding related.

1a) Death/serious harm of a child / young person through suicide or suicide attempt
1b) Safeguarding failure
3) Working outside mild to moderate referral threshold levels

Risk identification was linked to: two recent critical safeguarding incidents within the organisation; our highest ever number of annual safeguarding reports; and the rising level of referral thresholds in our services. The current controls and risk mitigation was rated as average due to the current challenges of staff retention and recruitment, leading to a skills deficit in our workforce and due to the outstanding project work to review our organisation's referral thresholds (NB: this has now been completed).

The other strategic risks identified were:

2) Inability to recruit and retain suitably qualified and experienced staff: risk was linked to staff turnover, local recruitment challenges and the wider issue of a lack of care staff in the UK workforce.
4) Increased voids: by the end of the financial year 2021/22 voids were running at 9% and had a material impact of £500k on the year's financial accounts. The risk also relates to the following year's finances and our exposure to bank covenant compliance if we are unable to bring voids back in line with our 3% target. At the time of filing our annual report we are pleased to say the current mitigation plan has brought voids down to 4%.

Risk tolerance

As well as refresh the risk register the Board also reviewed its current risk tolerance levels:

	Averse	Minimal	Cautious	Open	Hungry
H&S			✓		
Safeguarding				✓	
Finance				✓	
Missional activity				✓	
Legal & regulatory			✓		
Operations				✓	

The Board review confirmed that current risk tolerance levels were appropriate for the six areas, except for finance, where it was agreed that this would be reviewed again in October 22 as part of the refresh of the organisation's business plan.

Review of Financial Performance 2021-22

Income and Expenditure Summary	2022	2021	Movement
	£'000	£'000	
Income	**16,252**	**16,203**	0.3%
Operating Costs	(16,244)	(15,638)	(4%)
Underlying operating surplus / (deficit)	8	565	(99%)
Pension revaluation/rebasing	(75)	(179)	58%
One off development and redundancy costs	-	(398)	100%
Operating (deficit)	**(67)**	**(12)**	**(458%)**
Net Interest & investment revaluation	(80)	(62)	(29%)
Deficit for the year	**(147)**	**(74)**	**(99%)**

For 2021-22 we are reporting a deficit of £147,000 (2021: £74,000). Our income of £16,252,000 (2021 - £16,203,000) was on par with prior years. There has been additional income from the "Empty Homes" projects and increase in the number of housing units. In other areas income has decreased due to average lower occupancy rates and reduction in grant income, notably following the closure of the Covid19 job retention scheme.

Operating costs increased by 4% to £16,244,000 (2021- £15,638,000). Following external benchmarking of salaries, increases were made to staff pay to align to industry benchmarks. The impact of the worldwide increase in utility prices has begun to filter through to new properties unable to take advantage of YMCA DLG's existing fixed utility contracts.

Earnings before interest, taxation, depreciation, and amortisation (EBITDA), on which our banking covenants are based, were £403,000 (2021 - £434,000) giving us clear headroom to meet our bank covenants. Our principal bank covenant is the requirement for our EBITDA to be 1.2 times our debt servicing costs, interest and capital repayment, and we have achieved this consistently.

In October 2021 we completed the development of a new 47 bed hostel based in Hastings, which is performing well. This was funded by increasing our borrowing and a grant received from Homes England. The Empty Homes programme performed well with 26 new units of accommodation brought into management and 46 units refurbished on extension of their leases using grant income.

The last quarter of the year has been challenging with:

- occupancy rates in our properties at a lower level than budgeted due to a lack of and inappropriate referrals;
- staff vacancies causing operational difficulties as we saw the impact of 'the great resignation';
- fundraising income lower than forecast due to difficult environmental conditions.

We are a participating employer in the YMCA Federation pension plan. During the year, the pension trustees rebased the deficit contributions to reflect changes in membership numbers. This has resulted in YMCA DLG's future liability increasing by £75,000 which has been provided for in the 2021-22 accounts.

Reserves

The charity has accumulated reserves of £9,754,000 including restricted reserves of £105,000. These reserves are almost entirely invested in property and therefore used to meet the charity's strategic objectives of supporting vulnerable young people to belong, contribute and thrive. As a registered social housing provider, as well as a charity, our financial viability is managed by means of a rolling five-year business plan, which takes into account cash flows, borrowings, bank covenant compliance and the repairs and maintenance of our existing properties together with the acquisition and development of new projects. Furthermore, the business plan is subjected to a series of stress tests, which are reviewed by the Board together with mitigation plans. This ensures the charity remains financially viable into the future.

The charity also has a cash management policy to hold a minimum of £1,500,000 cash which is more than a month of cash outflow. At the end of the financial year the charity had cash cover of 2.4 months (2021 was 2.1 months) compared to a target of just over one month. In addition to this, the charity monitors its certain income levels linked to property asset income and contracted income against its fundraised income. The income that falls into the certain income criteria has reduced from 85% to 78% of annual income as contracts require retendering and student accommodation ending on the sale of the Guildford Y Centre, otherwise known as The Bridge.

During the financial year we drew down the final £1,000,000 from our £2,500,000 loan facility with Charity Bank for the acquisition of Hastings Foyer. At the year end the balance on the loan stood at £2,335,000. We received a further £400,000 from the Rosaz Trust taking the value of the loan to £850,000 on a fixed interest rate which is repayable no earlier than September 2044.

Financial Year 2022 – 23

YMCA DLG have taken a decision to consolidate the business and as a result Guildford Y Centre, The Bridge, was sold in June 2022 as housing students is not core to mission and occupancy rates were low. The impact of this is a £2,000,000 deficit due to the grant being retained by YMCA DLG to consider for recycling against future projects as the sale was not to a registered housing provider. The impact of this transaction will be recorded in the accounts of financial year ending 2022 – 23.

The first quarter of the new financial year has concluded with material political and economic uncertainty impacting many organisations and individuals as interest rates rise and inflation reaches unprecedented levels in recent times. The same impact is being felt by YMCA DLG. Global utility prices have rocketed with no sign to an end to price volatility. YMCA DLG are assessing exposures and mitigation to such unprecedented utility inflation given the volume of real estate requiring a substantial supply of electricity and gas.

The impact of inflation, coupled with increasing domestic utility increases has created cost of living challenges for many including YMCA DLG staff. Alignment to prior external benchmarking has already become dated and there is a need to further compensate to help through the cost-of-living crisis. Work has commenced to generate proposals while considering the financial viability for the organisation.

With such financial pressures it is realistic to expect that there will be a deterioration in performance for the new financial year, the same will apply to many charities and businesses in similar positions. Business planning has taken on an even greater importance to assess outcomes for the current financial year and the years following. It is important that YMCA DLG works with its lenders and as such a temporary waiver of the EBITDA debt servicing covenant is being discussed with Charity Bank. This will allow some financial flexibility for these unprecedented times.

List of Trustees and Advisers

Registered Office
Reed House, 47 Church Road
Hove, East Sussex BN3 2BE

Charity Number: 1079570
Company Number: 3853734
Homes England Registered Number: 4644

Executive Team
Charles Walker, Chief Executive Officer
Simon Braid, Director of Finance, resigned 31 Mar 2022
Rachel Brett, Director of Children and Young People
Anne Cairns, Chief Operating Officer resigned 31 Dec 2021
Baldeep Dhol, Director of Finance and ICT from 6 Jun 2022
Jayne Grier, Director of People & Culture
Satnam Kaur, Director of Housing & Community Services from 2 May 2022
Nicola Mason, Director of Fundraising and Communications

Solicitors
Griffith Smith LLP
47 Old Steine, Brighton BN1 1NW

Bate and Albon Ltd
36 Vine Street, Brighton BN1 4AG

DMH Stallard
Gainsborough House, Pegler Way, Crawley
RH11 4FZ

Trowers and Hamlins
55 Princess Street, Manchester M2 4EW

Bankers
The Royal Bank of Scotland plc
156 High Street, Southampton SO14 2NP

The Charity Bank Ltd
Fosse House, 182 High Street, Tonbridge
Kent TN9 1BE

Auditors
Haysmacintyre LLP
10 Queen Street Place, London EC4R 1AG

Internal Auditors
Mazars, Tower Bridge House, St Katharine's
Way, London E1W 1DD

Trustees' Statements on Regulatory Compliance and Internal Controls

This section of the report sets out YMCA DLG's compliance with external regulatory bodies and key external legislation relevant to the Annual Report. These are:

- The Charity Commission
- The Fundraising Regulator
- The Regulator of Social Housing
- The Housing Ombudsman
- The Information Commissioner's Office
- The Companies Act 2006

The Charity Commission

YMCA DLG is governed by its Articles of Association and was incorporated on 24 September 1999 as a company limited by guarantee, taking over the charity Hove YMCA. The charity evolved through a number of YMCA mergers, including Mid Sussex, Horsham and Lewes & District, Guildford and finally Eastbourne & Wealden in 2018.

The charity has Directors' and Officers' Liability insurance in place. The Board of Trustees is the central decision-making body of the Company and comprises 8 trustees at the time of signing.

The Board meets at least 6 times a year. There are three sub-committees which are:

- Audit and Risk committee
- Business Planning and Finance committee
- People and Participation committee

These committees have defined Terms of Reference, and report to the Board at each meeting.

At the time of this report YMCA DLG complies with all necessary regulations and reporting requirements set out by the Charity Commission. We reported four critical incidents to the Charity Commission and have kept the commission informed in line with the procedure.

Charity Commission's & Regulator for Social Housing Code of Governance requirement

YMCA DLG meets its requirements for a Code of Governance by adopting the NHF 2015 Code. The trustees undertake an evaluation of the Board and its performance each year. This year the Board commissioned an external review of its performance against the 2015 Code of Governance. Key findings from this work were as below:

YMCA DLG have some good fundamental governance processes in place:

- Governance controls reference
- Setting of the strategic direction of the organisation
- Good practice through its Board meetings
- Regular refresh of trustees
- Effective committee structure
- Arrangements are in place for the appointment, appraisal and remuneration of the Chief Executive
- Procedures are in place to promote ethical standards of probity and conduct of the Board

Areas identified where improvements to governance practice can be made are:

- Board skills, renewal and review & succession planning, noting the impact Covid restrictions had in this area
- Committee terms of reference last review 2018 and the Board SFI's in 2019
- Improving practice of evaluating the performance of the organisations external and internal auditors
- Chief Executive role; update job description & make clearer delegations to the CEO
- Annual declaration of interest process and central register of interests to be updated (last updated 2020)

We have one area in which our formal constitution does not meet the NHF Code of Governance requirements. The YMCA constitution allows for up to 15 trustees whereas the NHF Code requires no more than 12. At the time of this report YMCA DLG has 8 trustees and so complies with the Code. There is also one trustee who exceeds the maximum 9 year term of office. This has been reviewed by the Board who have agreed this as a temporary exception for a maximum of six months to support the completion of the current governance review and recruitment of new trustees.

Public Benefit statement

The charity meets the Charity Commission's general guidance on public benefit. The trustees consider that YMCA DLG activities are:

- a true reflection of our charitable aims and objectives
- designed to provide accessible services and activities that benefit the public in accordance with our charitable objectives

We demonstrate the public benefit of our work in pages 9 to 24 of this report.

Statement on investment powers

The trustees confirm that the investments made by the charity are made in accordance with the trustees' powers as provided in the Articles of Association.

Pension scheme

YMCA DLG recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer scheme is run by an independent board of trustees with employer representation through the Principal Employer, National Council of YMCAs. The pension scheme trustees obtain an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation. We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The trustees included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.

YMCA DLG benefits from the pension scheme trustees and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 19.

The Fundraising Regulator

YMCA DLG's fundraising approach is to support the generation of unrestricted funding to complement our contract and commercial income streams. We also generate restricted fundraising income to support missionally important YMCA DLG projects, mainly from philanthropic trusts and foundations.

We are registered with The Fundraising Regulator and have adopted and abide by the Code of Fundraising Practice, which ensures we have a strong fundraising framework and practice.

We are compliant with the Data Protection Act 2018 in all our fundraising activity; for example, we always record consent from donors and supporters and always offer the option to opt out of receiving emails.

For fundraising campaigns sent by post, these will only be authorised following the completion of a Legitimate Interests Assessment drawn using Information Commissioner's Office guidelines and again the option to ask us to stop sending fundraising material will be included in the communication. By taking these steps we aim to protect people (especially vulnerable people) from unwanted marketing or fundraising contact.

Most of our campaigns and marketing work is based around PR on social media, as opposed to postal or telephone campaigns; people have already opted in to receive information from us.

We have a clear complaints process which enables us to monitor all complaints received and the nature of the complaints. The process is available to the public through the website and through complaints leaflets. This year we received no complaints about our fundraising or marketing campaigns.

For further information about fundraising and the achievements of the team this year, refer to pages 23 and 24.

Regulator of Social Housing

The Board of Trustees gain assurance of the organisation's compliance with the Regulators Economic and Consumer standards through our internal audit compliance programme, which is currently contracted with Mazars audit firm. This programme provides compliance and quality assurance. The audit plan and audit findings are set and reviewed by the organisations Audit & Risk Committee along with the organisations corrective actions log to monitor agreed management response to the audit findings.

Last year, 2021, we self-reported to the RSH a breach of the regulators rent standard. As reported in last year's annual report this affected 314 units of accommodation which were developed under the affordable rent model. We engaged Campbell Tickell and Devonshires LLP to advise the Board and Leadership Team and Red Loft to support valuation advice. Our final report to the Regulator identified:

- 274 properties were impacted dating back to 2013
- 13 tenants had been overcharged to a total of £2,268
- That based on the valuation work the organisation had under charged against the maximum 80% of market rent by approximately £1.4m since 2013
- The over charged rent has been repaid or written off by Housing Benefit departments
- We have updated our rent setting policy and tightened internal controls

The organisations CEO and member of the Board met twice with the Regulator in early 2022 to discuss the breach and the organisation's internal report. The Regulator satisfied themselves that there hadn't been a material impact on tenants or the organisation through the control failures and that the organisation had put in place the necessary actions to tighten its controls to prevent this happening in the future.

The Regulator formally closed the case, without taking any further action, on 10 May 2022.

The Board of Trustees can confirm that at the time of filing our annual report that we are compliant with the Regulator for Social Housing's regulatory standards.

Homes England

YMCA DLG is an Investment Partner with Homes England. The Board of Trustees can confirm our validated 'good standing' with Homes England and that this year's development audit was given green status with no actions for improvement.

Value for Money

We continue to focus on Value for Money (VfM) as part of YMCA DLG's strategic development plans. VfM means managing our resources, both staff and monetary, economically, efficiently and effectively, achieving the optimum balance between all three in order to achieve our mission, values and objectives. We regularly monitor these by reviewing our key performance indicators, impact measures and conducting an annual client satisfaction survey.

Part of YMCA DLG's People Strategy is to ensure our staff are fairly rewarded for the work they do in a way that is affordable to the organisation. This links to our capacity to recruit and retain quality staff which is at the heart of our People Strategy. During the year we commenced implementation of the reward and recognition plan to ensure pay fits within the new salary structure, so staff are rewarded fairly for the work they do. It's internally consistent and transparent, externally benchmarked and affordable to the organisation.

Our extensive training programme continues to be a beneficial, well utilised staff development tool. Following the pandemic, the structure has altered to include virtual training as well as a return to face to face and e learning. We made use of 70% of our apprentice levy pot with 9 staff benefitting to a value of £18,000. In addition one member of staff is being funded from American Express's levy pot.

Our fundraising strategy is progressing with successful applications to trusts and foundations enabling us to fund missional work in areas where public finances are being cut.

Working practices within the organisation have evolved with many staff adopting a hybrid pattern. This has resulted in better use of the offices with additional meeting space, virtual meetings and savings in time and travel.

The project to ensure YMCA DLG's fleet of vehicles is fit for purpose with an optimised number of vehicles in use whilst improving our environmental credentials continued with the disposal of four older unreliable vehicles.

The telecom system at head office required replacing as existing technology is due to become obsolete. Teams phones for which we already held the basic licences were installed rather than a more expensive VOIP system. Contracts for our photocopiers, lone working protection devices and Microsoft licences have been renewed with the numbers required optimised and thereby achieving an overall reduction in cost.

The organisation's ongoing commitment to VfM, continuous improvement and efficiency developments remain a high priority, particularly due to the challenges to income streams that every social housing provider faces whilst maintaining a quality service that puts the service users at the centre of decision making.

Value for money metrics

The revised Value for Money Standard issued by the Regulator for Social Housing requires the publication of value for money metrics. These are not entirely applicable to the Charity given the breadth of its charitable activities. An explanation of the metrics is set out below.

1. Reinvestment percentage: 15% (2021 1%)

The reinvestment percentage considers the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held, demonstrating the scale of investment in relation to the size of the asset base.

During 2021/22 the charity purchased a 47 bed hostel in Hastings.

2. New supply (Social housing units) delivered percentage: 19% (2021 4%)

The new supply percentage sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units **owned** at period end. The metric does not include social housing properties transferred from another provider.

YMCA DLG only provides supported social housing, is not a volume developer and owns less than half the units operated. The percentage increase demonstrates new social housing units entering the market as a whole. The charity took on 73 new units during the year, however 49 units came to the end of their lease resulting in the number of units managed increasing by 3% (2021 0%).

3. Gearing: 0% (2021 -5%)

The gearing percentage assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance, demonstrating the proportion of borrowing in relation to the size of the asset base.

During 2021/22 we borrowed a further £1.4m for the purchase of Hastings Foyer. Our main lender, Charity Bank, requires gearing of less than 70%.

4. EBITDA major repairs included interest cover percentage: 414% (2021 363%)

The interest cover metric is a key indicator for liquidity and investment capacity and seeks to measure the level of surplus generated compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

Our main lender, Charity Bank, requires debt servicing cover of at least 1.2 times.

5. Headline social housing cost per unit: £14,534 (2021 £13,923)

As a specialist supported housing provider, this reflects the extent of support provided to YMCA DLG residents, the cost of the Empty Homes development programme, and the fact that we own only 48% of the units we manage. In addition, the one off cost increasing the pension liability is included in the calculation.

6. Operating margin (housing): 1.0% (2021 3.9%)
Operating margin (overall): -0.4% (2021 1.8%)

The operating margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

7. Return on capital employed: -0.3% (2021 -0.1%)

This metric compares the operating surplus to total assets less current liabilities and it measures the efficient investment of capital resources.

The Housing Ombudsman

Complaints
We have published our self-assessment against the Complaints Code on our website.

The Board approved a revised complaints policy and procedure following a revision to the Housing Ombudsman's Complaints Code and we have an implementation plan to ensure we comply with the Code.

The Information Commissioner's Office (ICO)

We are registered with the ICO (registration Z6157129) and comply with the Data Protection Act 2018. This year we reported two personal data breaches and the ICO was satisfied with the actions we took to resolve them.

Companies Act 2006

The Companies (Miscellaneous Reporting) Regulations 2018 require trustees to have regard to the requirements of section 172 (10) of the Companies Act 2006 as to:

- the likely consequences of their decisions in the long term
- the interests of employees
- the need to foster relationships with suppliers, customers and other stakeholders
- the impact of our operations on the community and the environment
- the desirability of maintaining a reputation for high standards of business conduct

We confirm that we, as trustees, comply with this legislation; it applies to us because we have more than 250 employees.

Statement on internal financial controls and trustees' responsibilities

As trustees for YMCA DLG we acknowledge our ultimate responsibility for ensuring that the charity has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the charity or for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use or disposition

Controls and procedures in place include the following:

- formal policies and procedures including the documentation of the key systems and rules relating to delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures in place to maintain standards of performance
- forecasts and budgets are prepared which allow the trustees and management to monitor the business risks and financial objectives, and progress towards financial plans set for the year and the medium term
- regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising trustees and others
- the Audit and Risk Committee review reports from management and from the external auditors to provide reasonable assurance that the control procedures are in place and are being followed
- a general review of the major risks facing the charity is undertaken by the Audit and Risk Committee
- formal procedures have been established for instituting appropriate action to correct weaknesses in the above procedures

Risk management is overseen by the Audit and Risk Committee and approved by the Board. It includes:

- a risk management strategy and policy
- a process for identifying and assessing risks, including strategic risks, operational risks and risks relevant to individual operational projects
- determining YMCA DLG's overall risk appetite
- engendering among all levels of staff a positive attitude towards risk management and ensuring this is embedded within YMCA DLG's operations
- management processes to ensure there are agreed mitigation responses to all significant risks and to offset the impact of adverse events
- ensuring a risk assurance process under which there are audit arrangements that cover the major risks on a regular basis
- decisions on which risks shall be insured
- arrangements to keep both the risks and risk management processes under review

The Audit and Risk Committee considers reports on key areas of risk at each of its meetings with a formal report on risk management annually to the Board.

Trustees' Responsibilities

As trustees, we are also directors of YMCA DLG for the purposes of company law. We are responsible for preparing this trustees' report and the financial statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Social Housing SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Streamlined energy and carbon reporting

The UK government's Streamlined Energy and Carbon Reporting (SECR) requires organisations in scope to disclose energy use, greenhouse gas (GHG) emissions and actions taken to address energy efficiency. This includes:

- Scope 1 (Direct emissions): Emissions from activities owned or controlled by the organisation that release GHG into the atmosphere (e.g. gas from onsite boilers and fuel used by fleet vehicles)
- Scope 2 (Energy indirect): Emissions released into the atmosphere associated with the consumption of purchased electricity
- Scope 3 (Other indirect): Emissions that are a consequence of actions which occur at sources not owned or controlled and are not classed as scope 2 (e.g. staff mileage claims)

In addition, at least one intensity ratio, information on energy efficiency action and methodology used in calculation of disclosures must be provided.

The regulations are designed to increase awareness of energy costs and provide data to inform adoption of energy efficient measures, reducing the impact on climate change.

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. The activity data has been converted into greenhouse gas emissions using the UK Government GHG Conversion Factors for Company Reporting.

Emissions Performance

		Direct emissions		Energy indirect	Other indirect	
		Gas (Scope 1)	Fuel for transport (Scope 1)	Electricity (Scope 2)	Business travel (Scope 3)	Total
Current year 2021-22	Energy consumption - kWh	3,303,596	137,594	1,635,535	108,052	5,184,777
	Greenhouse gas emissions - tonnes of carbon dioxide	605	32	347	27	1,011
	Intensity ratio kWh per unit/resident	6,024	-	2,292	-	-
	Intensity ratio kWh per FTE employee	-	466	-	366	-
Prior year 2020-21	Energy consumption - kWh	3,101,653	134,607	1,611,897	58,291	4,906,449
	Greenhouse gas emissions - tonnes of carbon dioxide	569	31	376	14	990
	Intensity ratio kWh per unit/resident	5,609	-	2,309	-	-
	Intensity ratio kWh per FTE employee	-	449	-	194	-
Change	Energy consumption - kWh	7%	2%	1%	85%	6%
	Greenhouse gas emissions - tonnes of carbon dioxide	6%	4%	-8%	89%	2%
	Intensity ratio kWh per unit/resident	7%	-	-1%	-	-
	Intensity ratio kWh per FTE employee	-	4%	-	89%	-

Intensity Ratios

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows comparison of energy efficiency performance over time and with other similar types of organisations. As most of our gas and electricity usage is within our residential properties, we are reporting kWh of gas and electricity per unit. The intensity ratios for transport fuel and staff mileage are based on a per head rate.

Energy Efficiency Action

The smart meter roll out programme has continued. We now have 88% of our gas meters updated and 45% of our electricity meters replaced. With this improved data collection we are able to identify properties with high energy usage, and are commencing a programme to reduce this, initially targeting residents with high energy usage. We have continued with our programme to replace old lighting with LED lights, and 3 gas boilers have been replaced with more energy efficient ones at one of our hostels. This year we have seen a significant increase in our business travel (scope 3) as the number of face to face meetings with clients and between staff has increased, although not to pre pandemic levels. We scrapped four older diesel vans from our fleet improving our environmental credentials. Staff across the organisation are undertaking other energy and environmental initiatives including aspiring to have paperless offices, arranging for old technology to be recycled, and reducing single use plastics.

Statement as to disclosure of information to auditors

So far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint the auditors, Haysmacintyre LLP will be proposed at the forthcoming annual general meeting.

This report, including both the Trustees' Report and Strategic Report, was approved by the trustees on 8th September 2022, and was signed for and on behalf of the Board by:

Fran Beckett
Chair of the Board of Trustees

Independent auditor's report to the members of YMCA DownsLink Group

Opinion

We have audited the financial statements of YMCA DownsLink Group for the year-ended 31 March 2022 which comprise the consolidated and company statements of comprehensive income, 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 2022 and of the group's net movement in funds, including the income and expenditure, 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 on pages 3 to 44. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report (contained within pages 3 to 30) and the Directors' Report (contained within pages 31 to 44) prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 pages 40 and 41, 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, 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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 22 September 2022

Financial Accounts and Statements

Consolidated Statement of Comprehensive Income, for Year Ended 31 March 2022

	Notes	Social Housing Activities	Trading Activities	Charitable Activities and Other Income	2022 Total	2021 Total
		£	£	£	£	£
Turnover from continuing operations						
Social housing lettings	2	**12,544,132**	-	-	**12,544,132**	12,154,810
Trading activities	10	-	**33,410**	-	**33,410**	10,539
Charitable activities and other income	4	-	-	**3,674,074**	**3,674,074**	4,037,475
		12,544,132	**33,410**	**3,674,074**	**16,251,616**	16,202,824
Operating costs						
Social housing lettings	3	**(12,419,095)**	-	-	**(12,419,095)**	(11,986,763)
Trading activities	10	-	**(33,258)**	-	**(33,258)**	(10,230)
Charitable activities and other costs	5	-	-	**(3,865,808)**	**(3,865,808)**	(4,217,489)
		(12,419,095)	**(33,258)**	**(3,865,808)**	**(16,318,161)**	(16,214,482)
Operating (deficit)/ surplus		**125,037**	**152**	**(191,734)**	**(66,545)**	(11,658)
Interest receivable and other income		-	-	**328**	**328**	1,127
Interest payable and similar charges		**(81,206)**	-	-	**(81,206)**	(67,153)
Unrealised gain on investments		-	-	**877**	**877**	4,151
(Deficit)/ Surplus on ordinary activities		**43,831**	**152**	**(190,529)**	**(146,546)**	(73,533)
Net movement in funds		**43,831**	**152**	**(190,529)**	**(146,546)**	(73,533)

The consolidated income and expenditure of the Charity and its subsidiary relate wholly to continuing operations.

These financial statements were approved and authorised for issue by the Directors on 8 September 2022 and signed on their behalf by:

Fran Beckett

Director
8 September 2022

MD Gercke

Director
8 September 2022

The notes set out on pages 52 - 64, form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2022

Registered number: 3853734

		2022		2021	
	Notes	**Group**	**Charity**	Group	Charity
		£	**£**	**£**	£
FIXED ASSETS					
Social housing properties	9	**22,739,503**	**22,739,503**	20,204,240	20,204,240
Other properties	9	**456,832**	**456,832**	464,929	464,929
Other tangible assets	9	**342,180**	**342,180**	379,351	379,351
		23,538,515	**23,538,515**	21,048,520	21,048,520
Investment in subsidiary	10	**-**	**2**	-	2
		23,538,515	**23,538,517**	21,048,520	21,048,522
CURRENT ASSETS					
Debtors	12	**1,613,581**	**1,623,174**	1,370,153	1,385,028
Investments	11	**35,460**	**35,460**	34,583	34,583
Cash at bank and in hand		**3,224,477**	**3,204,312**	2,840,843	2,815,658
		4,873,518	**4,862,946**	4,245,579	4,235,269
CREDITORS					
Amounts falling due within one year	13	**(3,046,602)**	**(3,046,184)**	(3,188,790)	(3,188,790)
NET CURRENT ASSETS		**1,826,916**	**1,816,762**	1,056,789	1,046,479
TOTAL ASSETS LESS CURRENT LIABILITIES		**25,365,431**	**25,355,279**	22,105,309	22,095,001
CREDITORS					
Amounts falling due after one year	14	**(15,611,371)**	**(15,611,371)**	(12,204,703)	(12,204,703)
NET ASSETS		**9,754,060**	**9,743,908**	9,900,606	9,890,298
FUNDS					
Unrestricted funds	16	**9,649,364**	**9,639,212**	9,664,633	9,654,325
Restricted funds	15	**104,696**	**104,696**	235,973	235,973
		9,754,060	**9,743,908**	9,900,606	9,890,298

These financial statements were approved and authorised for issue by the Directors on 8 September 2022

Fran Beckett

Director
8 September 2022

MD Gercke

Director
8 September 2022

The notes set out on pages 52-64, form part of these financial statements

Consolidated Statement of Cash Flows for Year Ended 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flow from operating activities					
(Deficit)/ surplus for the year			**(146,546)**		(73,533)
Adjustments for non-cash items:					
Depreciation	8	**579,852**		546,345	
Decrease / (Increase) in debtors		**(243,428)**		119,958	
Increase in creditors		**316,885**		519,079	
Deficit on disposal of property		**2,534**		10,363	
Deficit on disposal of other assets		**170**		416	
Unrealised investment (gain) / loss		**(877)**		(4,151)	
Interest payable		**81,206**		67,153	
Interest receivable		**(328)**		(1,127)	
			736,014		1,258,036
Net cash inflow from operating activities			**589,468**		1,184,503
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	**(3,073,263)**		(248,143)	
Sale of tangible fixed assets		**712**		418	
Grants received		**1,614,950**		-	
Interest received		**328**		1,127	
			(1,457,273)		(246,598)
Cash flow from financing activities:					
Loan interest paid		**(81,206)**		(67,153)	
Repayment of loan		**(67,355)**		(51,069)	
New loan		**1,400,000**		-	
			1,251,439		(118,222)
Increase / (decrease) in cash in the year			**383,634**		819,683
Net cash funds at beginning of year			**2,840,843**		2,021,160
Net cash funds at end of the year			**3,224,477**		2,840,843

Reconciliation of net cash flow to movement in (net debt)/net funds

	1 Apr 2021	Cash Flows	Non cash changes	31 Mar 2022
Cash	2,840,843	383,634	-	3,224,477
Debt due within one year	(52,305)	67,355	(101,859)	(86,809)
Debt due after one year	(1,800,518)	(1,400,000)	101,859	(3,098,659)
	988,020	(949,011)	-	39,009

The notes set out on pages 52-64, form part of these financial statements

Notes to the Financial Statements for Year Ended 31 March 2022

1. ACCOUNTING POLICIES

a) Status
YMCA DownsLink Group (YMCA DLG) Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE. It is also registered as a charity with the Charity Commission in England and Wales (number 1079570) and as a Registered Provider of Social Housing with the Homes and Communities Agency in England (number 4644).

The charity meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102).

Basis of Preparation
The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102, and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the Trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

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.

The main areas of estimation and judgement affecting the accounts:

- depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

- accrual for deficit contribution to the defined benefit pension scheme

As set out in note 1(g) a liability is recognised in respect of the present value of the expected future contributions to alleviate the pension deficit arising from past service. The liability recognised is affected by the discount rate applied and the undiscounted underlying liability will also vary depending on the results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed as at 1 May 2020 and the resulting changes to the schedule of contributions are included in YMCA DLG's financial statements for the year ended 31 March 2022.

- provisions

Full provision is made for the value of all personal debts relating to past residents in YMCA DLG's accommodation projects. It is possible that some of these amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where is it considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.

No complex financial instruments are held.

YMCA DLG is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DLG Services Ltd is included on a line by line basis.

Going concern
Having had regard to the group's financial position and its forecast financial performance and cash flows, the Trustees have 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.

b) Turnover

Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and Homes England, contracts and charitable receipts, all net of vat.

c) Supporting People Contract

The charity receives funding from Supporting People which is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

d) Donations and grants

Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).

e) Investment income

Investments are included in the financial statements at market value.

f) Empty Homes

The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

g) Pension costs

YMCA DLG 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 YMCA DLG.

As described in note 19, YMCA DLG has a contractual obligation to make pension deficit payments over the period to April 2029. Accordingly, the present value of the liability is shown in note 19 to these accounts.

In addition, YMCA DLG is required to contribute £19,422 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

h) Fixed Assets

i) Housing Properties

Definition and recognition

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed cost on adoption of FRS102.

Depreciation:

The major components of the properties are identified, and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight line basis over the following number of years:

Structure	50 - 100
Pitched Roof	50 - 75
Flat Roof, Windows, External Doors	25 - 30
Wiring, lift and heating systems	10 - 30
Bathrooms	5- 25
Kitchens	20

Freehold land is not depreciated.

Expenditure on existing housing properties is capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general repairs is charged to the income and expenditure account as it is incurred.

ii) Other Fixed Assets

Cost:

Individual fixed assets costing £500 or more and are of a capital nature for ongoing use by YMCA DLG are capitalised.

Depreciation:
Other fixed assets are depreciated in order to write off each asset over its estimated useful life at the following annual rates:

Freehold Land	Not depreciated
Motor Vehicles	25% on reducing balance basis
Fixtures, Fittings and Equipment	10 - 25% on cost
Leasehold Improvements	25 % on cost or over the remaining life of the lease whichever is shorter
Cycles	100% on cost

i) Stocks
Stocks are consistently valued at the lower of cost and net realisable value.

j) Volunteers, Donated Services and Facilities
The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report.

k) Irrecoverable VAT
All expenditure is classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged directly where possible or apportioned as part of central costs.

l) Operating Leases
The charity classifies the lease of printing, photocopy, and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whilst the economic life of such equipment is normally in excess of this. Rental charges are charged on a straight line basis over the term of the lease.

m) Commitments
Commitments which are legally binding are included as liabilities.

n) Taxation
The Charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

o) Funds and Reserves
The Charity has various types of funds for which it is responsible and require separate disclosure:

Unrestricted reserves
Unrestricted reserves are reserves which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Restricted Reserves
Restricted reserves are funds which are expendable as directed by the donor.

Revaluation reserves
Revaluation reserves arise when investments are revalued.

2. TURNOVER FROM HOUSING ACTIVITIES

	2022	2021
	£	£
Rent and Service charges:		
Rent receivable	**3,386,093**	3,468,662
Service charge receivable	**4,820,127**	4,765,409
Personal service charge receivable	**231,765**	234,067
Amortised Government grant	**111,811**	106,428
	8,549,796	8,574,566
Other revenue:		
Supporting people	**1,999,995**	1,844,501
OLAC, Leaving care & Step down service	**524,270**	356,398
Homes England grant income	**304,075**	304,103
Homes England development income	**600,284**	79,270
More than a room activities	**97,560**	213,084
Fundraising income	**79,946**	86,047
Job retention scheme	**32,681**	393,530
Other social housing income	**355,525**	303,311
	12,544,132	12,154,810
Rent and service charge losses from voids	**(795,036)**	(761,309)

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2022	2021
Housing accommodation – number of units	**787**	763
Managed Housing – number of units included in above total	**109**	117
	£	£
Housing Services	**5,671,861**	5,596,275
Housing Support	**2,350,129**	2,297,285
More than a room costs	**334,100**	592,963
Share of central overheads	**2,040,601**	1,824,757
Development costs	**420,544**	30,787
Development write off	**-**	303,879
Repairs and maintenance	**955,046**	778,774
Rent losses from bad debts and provision	**94,592**	44,047
Depreciation of housing properties	**421,974**	390,096
Depreciation of equipment, fixtures & fittings, motor vehicles	**130,248**	127,900
	12,419,095	11,986,763

4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME

	2022	2021
	£	£
Therapeutic Services	**2,082,112**	2,135,797
Support Services: Children, Young People and Families	**937,749**	1,288,941
Horsham YMCA Football Club	**56,424**	70,549
Fundraising income	**542,941**	417,163
Job retention scheme	**3,199**	90,317
Other Income	**51,649**	34,708
	3,674,074	4,037,475

5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS

	2022	2021
	£	£
Therapeutic Services	**2,233,797**	2,256,098
Support Services: Children, Young People and Families	**1,315,625**	1,685,644
Horsham YMCA Football Club	**75,351**	50,266
Depreciation	**27,630**	28,349
Other costs	**213,405**	197,132
	3,865,808	4,217,489

6. STAFF COSTS

	2022	2021
	£	£
Salaries and wages	**7,979,809**	8,234,328
Social security	**690,435**	687,631
Pension costs	**271,826**	268,399
Apprentice Tax	**26,047**	26,040
Life Assurance	**34,252**	44,908
Healthcare	**32,200**	29,495
Redundancy/Compensation	**41,443**	50,319
	9,076,012	9,341,120
The average number of employees paid during the year was:		
Full Time and Part Time Employees	**381**	391
Full Time equivalent	**295**	300

The full time equivalent number of staff receiving remuneration, including pension contribution in excess of £60,000:

£60,000 - £69,999	**3**	2
£70,000 - £79,999	**3**	3
£80,000 - £89,999	**1**	1
£90,000 - £99,999	**-**	-
£100,000 - £109,999	**-**	1
£110,000 - £119,999	**1**	-

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the Directors received any remuneration in the current or prior year. No Directors received reimbursed expenses. The Charity has Directors' and Officers' Liability insurance in place.

The aggregate emoluments of the Executive Team were £284,813 – 2.9 FTE (2021: £223,741 – 2.4 FTE). The remuneration of the Chief Executive comprised salary of £95,109, pension contributions of £14,266 and private health insurance of £640 (2021: £93,890, £14,084 and £602 respectively). The Chief Executive is a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

8. OPERATING SURPLUS

The operating surplus is stated after charging:	2022	2021
	£	£
Losses from bad debts	**87,384**	52,374
Operating Leases - equipment	**23,817**	24,549
- land and buildings	**1,426,689**	1,337,093
Deficit on disposal of fixed assets	**2,704**	10,779
Depreciation of equipment, fixtures & fittings, motor vehicles	**145,761**	129,605
Depreciation of properties and components	**434,091**	402,213
Auditor's remuneration: External audit	**28,950**	27,550

9. FIXED ASSETS

	Social Housing Properties	Other Properties	Total
	£	£	£
Cost			
1st April 2021	**22,045,673**	**523,147**	**22,568,820**
Additions	**2,963,791**	**-**	**2,963,791**
Disposals	**(8,000)**	**-**	**(8,000)**
31st March 2022	**25,001,464**	**523,147**	**25,524,611**
Depreciation			
1st April 2021	**1,841,433**	**58,218**	**1,899,651**
Charge for the year	**425,994**	**8,097**	**434,091**
Eliminated on disposal	**(5,466)**	**-**	**(5,466)**
31st March 2022	**2,261,961**	**66,315**	**2,328,276**
Net Book Amount			
31st March 2022	**22,739,503**	**456,832**	**23,196,335**
31st March 2021	20,204,240	464,929	20,669,169

	2022	2021
Properties at cost comprise:	**£**	£
Freeholds	**18,799,878**	15,844,088
Long leaseholds	**6,724,732**	6,724,732
Cost of properties	**25,524,610**	22,568,820

The additions during the year are mainly a result of the purchase of Hastings Foyer.

OTHER TANGIBLE FIXED ASSETS

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1st April 2021	**112,796**	**1,243,202**	**1,355,998**
Additions	**354**	**109,118**	**109,472**
Disposals	**(23,734)**	**(76,076)**	**(99,810)**
31st March 2022	**89,416**	**1,276,244**	**1,365,660**
Depreciation			
1st April 2021	**81,763**	**894,884**	**976,647**
Charge for the year	**10,006**	**135,755**	**145,761**
Eliminated on disposals	**(22,852)**	**(76,076)**	**(98,928)**
31st March 2022	**68,917**	**954,563**	**1,023,480**
Net Book Amount			
31st March 2022	**20,499**	**321,681**	**342,180**
31st March 2021	**31,033**	**348,318**	**379,351**

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, YMCA DLG Services Limited, which is incorporated in England and Wales pays its profits chargeable to corporation tax to the charity by gift aid. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

	2022	2021
	£	£
Turnover	**33,410**	10,539
Cost of sales and administrative expenses	**(33,258)**	(10,230)
Net Profit	**152**	309

11. INVESTMENTS

	2022		2021	
	Market Value	**Cost**	Market Value	Cost
	£	**£**	**£**	**£**
Blackrock Charinco Common Investment Acc Fund	**8,755**	**8,426**	9,186	8,426
Blackrock Charinco Common Investment Inc Fund	**3,325**	**3,664**	3,605	3,664
M & G Charifund	**23,380**	**24,282**	21,792	24,282
	35,460	**36,372**	34,583	36,372

12. DEBTORS

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Accommodation debtors	**876,956**	**876,956**	883,830	883,830
Bad debt provision	**(498,962)**	**(498,962)**	(494,735)	(494,735)
Trade debtors	**660,262**	**660,262**	483,477	483,477
Prepayments	**345,269**	**345,269**	367,836	367,836
Accrued income and other debtors	**230,056**	**230,056**	129,745	129,745
Amounts owed by subsidiary undertakings	**-**	**9,593**	-	14,875
	1,613,581	**1,623,174**	1,370,153	1,385,028

13. CREDITORS FALLING DUE WITHIN ONE YEAR

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Deferred income	**1,163,826**	**1,163,826**	1,396,190	1,396,190
Other creditors	**676,032**	**676,032**	770,493	770,493
Trade creditors	**653,030**	**653,030**	547,604	547,604
Other taxes & social security	**249,126**	**248,708**	233,903	233,903
Bank loan	**86,809**	**86,809**	52,305	52,305
Pension deficit	**95,201**	**95,201**	81,867	81,867
Housing Grants	**122,578**	**122,578**	106,428	106,428
	3,046,602	**3,046,184**	3,188,790	3,188,790

14. CREDITORS FALLING DUE AFTER ONE YEAR

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Loans – Not wholly repayable within five years	**3,098,659**	**3,098,659**	1,800,518	1,800,518
Deferred Income – grants in advance	**1,467,790**	**1,467,790**	832,415	832,415
Dilapidations provision	**203,000**	**203,000**	196,500	196,500
Defined Benefit Pension Deficit	**559,402**	**559,402**	579,739	579,739
Housing Grants	**10,282,520**	**10,282,520**	8,795,531	8,795,531
	15,611,371	**15,611,371**	12,204,703	12,204,703

Loan Maturity Analysis				
In more than one year but not more than two years	**89,204**	**89,204**	53,548	53,548
In more than two years but not more than five years	**284,180**	**284,180**	168,312	168,312
In more than five years	**2,725,275**	**2,725,275**	1,578,658	1,578,658
	3,098,659	**3,098,659**	1,800,518	1,800,518

There is a loan facility in place with the Charity Bank for £2.5m at a rate of 2.25% plus base. The loan is secured on Crawley and Worthing Foyers. At the 31 March 2022 the loan was fully drawn down and £164,532 had been repaid.
There are additional loans of £850,000 with The Rosaz Charity on a fixed 3% rate which are repayable no earlier than September 2044 and are unsecured.

15. RESTRICTED FUNDS – GROUP

	1 April 2021	**Income**	**Expenditure**	**Transfers**	**31 March 2022**
Funds	**£**	**£**	**£**	**£**	**£**
Special Needs Reserve	3,710	-	(776)	-	2,934
Young Homeless Fund	825	-	(435)	-	390
Legacy – Horsham Y Centre	44,036	-	(9,768)	-	34,268
Counselling	17,903	55,500	(60,486)	-	12,917
Homelessness Prevention	7,310	-	(4,160)	-	3,150
More than a room	3,500	-	(3,500)	-	-
Chaplaincy	13,048	-	(13,048)	-	-
Positive Placements	26,860	(8,767)	(18,093)	-	-
WiSE	30,373	160,328	(181,159)	-	9,542
Youth Advice Centres	83,455	35,000	(90,955)	-	27,500
Girls Mentoring Programme	1,653	56,059	(47,017)	-	10,695
Football club pitch upgrade	2,500	-	-	-	2,500
Living our values award	800	-	-	-	800
Total	235,973	298,120	(429,397)	-	104,696

RESTRICTED FUNDS – CHARITY

Funds	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
Special Needs Reserve	3,710	-	(776)	-	2,934
Young Homeless Fund	825	-	(435)	-	390
Legacy – Horsham Y Centre	44,036	-	(9,768)	-	34,268
Counselling	17,903	55,500	(60,486)	-	12,917
Homelessness Prevention	7,310	-	(4,160)	-	3,150
More than a room	3,500	-	(3,500)	-	-
Chaplaincy	13,048	-	(13,048)	-	-
Positive Placements	26,860	(8,767)	(18,093)	-	-
WiSE	30,373	160,328	(181,159)	-	9,542
Youth Advice Centres	83,455	35,000	(90,955)	-	27,500
Girls Mentoring Programme	1,653	56,059	(47,017)	-	10,695
Football club pitch upgrade	2,500	-	-	-	2,500
Living our values award	800	-	-	-	800
Total	235,973	298,120	(429,397)	-	104,696

Restricted Funds

Special Needs Reserve – to fund exceptional requirements for those in supported housing

Young Homeless Fund – to fund temporary accommodation for the young homeless people of Guildford

Horsham Y Centre Legacy – to be spent on activities or equipment that will benefit the young people of Horsham

Counselling - to provide counselling to a West Sussex school for children and young adults with learning difficulties and provision of a BAME therapeutic offer in West Sussex

Homelessness Prevention – to deliver workshops in secondary schools

More than a room – to enable young people to live independently and achieve their work and learning goals

Chaplaincy – to provide pastoral care to residents and staff

Positive Placements – to recruit adult volunteers to be trained as mentors to support young people in their journey towards education, employment or training

WiSE – to support children and young people to stay safe in their relationships

Youth Advice Centres – to provide advice, support and guidance to young people

Girls mentoring programme – an early and effective mentoring initiative that matches trained volunteer mentors with female identifying young people to support them to overcome challenges and achieve their fullest potential in life

Football club pitch upgrade – towards an artificial grass pitch in Horsham

Staff Values Award - for a staff member and a volunteer who have demonstrated our values

16. RESERVES – GROUP

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
Unrestricted funds:					
General reserve	34,290	15,842,014	(15,315,255)	(204,118)	356,931
Fixed asset reserve	10,293,738	111,811	(579,852)	122,251	9,947,948
Pension reserve	(661,606)	-	(74,864)	81,867	(654,603)
Investment revaluation reserve	(1,789)	877	-	-	(912)
Total unrestricted funds	9,664,633	15,954,702	(15,969,971)	-	9,649,364
Restricted funds	235,973	298,120	(429,397)	-	104,696
	9,900,606	16,252,822	(16,399,368)	-	9,754,060

RESERVES – CHARITY

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
Unrestricted funds:					
General reserve	23,982	15,808,604	(15,281,997)	(203,810)	346,779
Fixed asset reserve	10,293,738	111,811	(579,852)	122,251	9,947,948
Pension reserve	(661,606)	-	(74,864)	81,867	(654,603)
Investment revaluation reserve	(1,789)	877	-	-	(912)
Total unrestricted funds	9,654,325	15,921,292	(15,936,713)	308	9,639,212
Restricted funds	235,973	298,120	(429,397)	-	104,696
	9,890,298	16,219,412	(16,366,110)	308	9,743,908

Within the fixed asset reserve is a revaluation amount of £2,547,827 relating to Crawley Foyer and Guildford Y Centre introduced on adoption of FRS102.

17. GUARANTEES

As part of its direct charitable work, YMCA DLG provides Letters of Guarantee to landlords to provide limited cover against lost rent and/or damage to property. The likely liability for guarantees in place at 31st March 2022 is under £1,000. This system enables more places to be facilitated with minimal exposure.

There is no provision for guarantees which may be called upon within these financial statements.

18. MEMBERS

YMCA DLG is limited by guarantee having no share capital. In accordance with the Memorandum of Association every Member is liable to contribute a sum of £1 in the event of the charity being wound up.

19. PENSION COMMITMENT

YMCA DLG participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA DLG and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 63% matching portfolio and 37% in the growth portfolio and Schroder (property units only).

The most recent 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.),
- the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and for those retiring in 20 years' time, 23.7 years for a male pensioner, female 26.1 years.

The result of the valuation showed that the actuarial value of the assets was £146.1m. This 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.

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. YMCA DLG has been advised that it will need to make monthly contributions of £8,033 from 1 May 2022. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 2.7% (2021: 2.1%). The current recovery period is 7 years commencing 1st May 2022.

As a result of the Trustees rebasing the deficit contributions reflecting the change in membership numbers, YMCA DLG's share of the deficit increased by £74,864. During the year deficit payment contributions of £81,867 were made.

The table below sets out the value of the liabilities included in the Balance Sheet

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2022 £'000	TOTAL 2021 £'000
As at 31 March 2022	95,201	92,969	280,540	185,893	559,402	654,603	-
As at 31 March 2021	81,867	80,890	246,972	251,877	579,739	-	661,606

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

Supplementary to the above scheme, employees starting with Sussex Central YMCA after 1 April 2001 were eligible to join a stakeholder pension scheme, which is a defined contribution scheme, into which the Charity pays contributions. The employee paid any sum up to legal thresholds but with a minimum contribution of £20 per month. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The employee contribution has been increased to a minimum of 1.6% from April 2019. The scheme is administered by Legal and General. In addition, those employees who were in the YMCA Pension Plan and members of the Leadership Team make contributions of 8% of salary to the stakeholder pension scheme and the employer's contribution is 15%. During the period a total of 34 employees benefited from the scheme at a cost of £146,371.

In 2007 Guildford YMCA commenced a scheme with Aviva. This is also a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £1,474 (2021: £1,346) in respect of 1 employees (2021: 1).

With the introduction of auto enrolment, the schemes were closed to new entrants on 31 January 2014 and the Charity now offers a stake holder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £45,930 relating to all the schemes that was settled the following month.

20. OPERATING LEASE COMMITMENTS

The future minimum lease payments of leases are as set out below.

	2022	2021
	£	£
Land and Buildings:		
Within one year	**1,217,989**	1,186,558
Between one and five years	**2,442,001**	2,555,192
In more than five years	**1,088,941**	588,824
	4,748,931	4,330,574
Equipment:		
Within one year	**13,669**	16,256
Between one and five years	**8,173**	8,310
In more than five years	**-**	-
	21,842	24,566

21. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2021, YMCA DLG had the following related and associated undertakings:

	Relationship	**Status**	**Regulated by Social Housing Regulator**
YMCA DLG Services Ltd	100% subsidiary	Trading Company	Non-regulated

22. CONTINGENT LIABLITIES

At the 31 March 2022 there were contingent liabilities in respect of grants received in relation to the following properties:

- Crawley Foyer - Social Housing Grant of £873,140 and Local Authority Grant of £1,500,226
- Worthing Foyer - Social Housing Grant of £823,632
- Guildford Y Centre – Social Housing Grant of £3,211,744
- Guildford Foyer - Social Housing Grant of £2,021,986
- Horsham Y Centre - Social Housing Grant of £4,057,690
- Eastbourne Y Centre - Social Housing Grant of £771,910
- Eastbourne Foyer – Social Housing Grant of £1,525,000
- Hastings Foyer – Social Housing Grant of £1,614,950

There is potential for repayment or recycling of these grants in the event the sites are disposed of and/or taken out of social housing use. Guildford Y Centre was sold in June 2022 and the grant has been retained by the organisation to recycle. All other properties remain in social housing and the organisation has no plans to change the status of these sites.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England and Wales, grants were received for £873,000 and £247,500 respectively. If YMCA DLG resigns as a member of YMCA England and Wales Federation, or disassociates itself from the organisation, or ceases to participate in any of its operations, the grants will become refundable. It is considered unlikely that this will occur.

Of the £16.4m housing grants liability, £10.4m is within creditors. On implementation of FRS102 in the 2016 Financial Statements the Trustees elected to treat the grants held at the time for Crawley Foyer and Guildford Y Centre under the performance model and recognise them in reserves. All other grants are treated under the accruals model and amortised over the life of the related structure. To date £0.86m has been transferred to reserves.

23. CAPITAL COMMITMENTS

At the year-end there were no capital commitments.

24. POST BALANCE SHEET EVENT

Guildford Y Centre which has 112 units of accommodation for students was sold to a non-social housing provider for £4.125m on the 21st June 2022. As stated in note 22, the social housing grant of £3.2m has been retained by the organisation to recycle into another social housing project. If the grant is not recycled within three years then it will become repayable to Homes England together with interest calculated daily at the prevailing Bank of England rate.

On implementation of FRS102 in the 2016 Financial Statements, the Trustees elected to revalue Guildford Y Centre on a one-off basis as permitted under the transitional provisions of FRS102, this valuation being deemed cost in subsequent years. The net book value of the Guildford Y Centre at 31 March 2022 was £2.74m. The associated grant of £3.2m was treated under the performance model on implementation of FRS102 and recognised as an increase in reserves. In the 2022-23 accounts the grant will be reinstated as a creditor in the Statement of Financial Position as required by the Housing SORP with an exceptional expense recognised in the Statement of Comprehensive Income.