

# YMCA WORCESTERSHIRE

---

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

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



**WORCESTERSHIRE YMCA LIMITED**

**REPORT OF THE BOARD**

**CONTENTS**

	<b>Page</b>
<b>Report of the Board</b>	<b>1</b>
<b>Report of the Auditors</b>	<b>16</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>19</b>
<b>Company Statement of Comprehensive Income</b>	<b>20</b>
<b>Consolidated Statement of Changes in Reserves</b>	<b>21</b>
<b>Company Statement of Changes in Reserves</b>	<b>22</b>
<b>Consolidated Statement of Financial Activities</b>	<b>23</b>
<b>Consolidated Statement of Financial Position</b>	<b>24</b>
<b>Consolidated Statement of Cash Flows</b>	<b>25</b>
<b>Notes to the Financial Statements</b>	<b>26</b>

# **WORCESTERSHIRE YMCA LIMITED**

## **REPORT OF THE BOARD**

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2019.

### **Reference and administration information**

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

### **Key Management Personnel**

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

### **Board**

The Board is composed of the following individuals:

Mike Higley	(Chair)
Simon Hill	
Jacintha Hodgson	
Dr Juliet Horne	
Philip Simpson	
Diana Drew	Appointed 31 December 2018

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

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

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

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

**Bankers**  
**Unity Trust Bank plc**  
Nine Brindleyplace  
Birmingham  
B1 2HB

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

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

#### **Constitution**

The Association is a charitable company registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The Association is established as a registered social landlord with no share capital. The Association is a company limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association, which were reviewed by the Board in 2013.

#### **Organisational structure**

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

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

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

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

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

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

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

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

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

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

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

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

#### **Board member induction and training**

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

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

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

#### **Code of Governance**

The Association's Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance. During the year the Board has made reference to the Governance and Financial Viability Standard.

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

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

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

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the RSL SORP and the Charities SORP(FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for private registered providers of social housing in England 2015. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

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

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

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

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

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

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

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

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

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

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Strategic Report

#### Risk management

The Association maintains a risk register covering governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

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

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



## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Financial Review - Reserves

The Board considered there are sufficient assets to meet obligations as they arise. Net current assets are £1,689,060 (2018: £2,043,777) including property in 2018 with a value of £1,300,000 which was sold during the year under review. The overall funds of the Group have increased as a consequence of a surplus arising from operational savings being achieved in anticipation of a reduction in income. The anticipated reduction in income was mitigated against to some extent during the year.

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

The Association has an asset management plan anticipating major maintenance to buildings and likely costs over the next 25 years. Long term maintenance and improvements needed in the housing stock under that plan are reviewed by the Board. Cyclical maintenance and improvements to maintain the standards of our own accommodation stock of 241 properties was carried out in accordance with our asset management plan.

The Board has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure (£599,500) to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

Free reserves are traditionally calculated as Net Assets (£4,343,951) less Restricted funds (£nil), less fixed assets (£4,582,894), which amount to (£238,943). However, the nature of the Association's as a Registered Provider means adjustment should be made for long term liabilities which are secured against the housing properties in fixed assets (£1,149,009). By that calculation, the adjusted free reserves are £910,066.

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

#### Employment of disabled persons

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

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Objects and activities

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

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

The Association's objects and principal activities are to:

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

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

#### Strategy

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

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

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

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

As indicated last year, a broader spread of income generation is a priority for long term sustainability whilst remaining responsive to commissioning opportunities that arise from social policy as the public sector remains a large market. In addition, the plan is customer focused taking account of current capacity and capability rather than putting our capabilities first. The major change for the organisation, clarifying the markets in which we operate and our delivery has begun, coinciding with cuts to public spending. This continues to require flexibility in our response.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

We measure the success of the strategy:

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

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

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

#### Review of activities

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

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

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

During the year, income from the association's own activities increased to £2,659,159 (2018: £2,608,705) and the effect of the addition of Worcester YMCA generated a consolidated income of £4,439,756 (2018: £3,408,292) for the year. The additional income from Worcester YMCA was from non-regulated housing and housing related support, and through additional income was acquired through the purchase of a trading subsidiary Little Treasures Limited

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rent reduction, uncertainty over any future supported housing model and the need to ensure a more commercial approach to some areas of delivery.

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

## **WORCESTERSHIRE YMCA LIMITED**

### **REPORT OF THE BOARD**

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

Following the acquisition of Little Treasures by Worcester YMCA We have four nursery settings within Worcestershire in Redditch, Kidderminster and two in Malvern.

All four nursery settings maintain an OFSTED rating of 'Good'. Our Redditch nursery has seen a successful growth in numbers since introducing a designated room for 3 months -1 year. The Kidderminster nursery is based in Tree Tops Community Centre on the site of Birchen Coppice Primary School, the lease for the building extended until July 2020. The future of this provision beyond that date remains uncertain due to the transfer of ownership of the building to the neighbouring school. As a result of this uncertainty we are considering several options for childcare within the Kidderminster area. The acquisition of Little Treasures has further enhanced our provision across the group and contributed to the diversification of income sources.

The YPLAY childcare provision based in Redditch and Malvern offers children 3-12 an out of school and holiday club, attendance for these have remained consistent for these despite competition increasing within the local area.

The Bromsgrove Youth and Community Hub has been successful in its first year. The Hub has proved that by offering a wide range of services and activities this diverts young people from crime and anti-social behavior and makes a positive contribution to their community. This has been achieved by working with partnerships including Safer Bromsgrove, the Community Well Being Theme Group and the Town Centre Management Group. Over 850 people have dropped in to the hub which is aimed at young people from 10-18.

We have been a delivery partner for The National Citizen Service (NCS) programme in Worcestershire for four years, it consists of a four-week summer programme and two-week autumn programme. It is designed to be fun, but also to equip students with evidence of personal achievement and life skills whilst providing opportunities for young people to make a difference and contribute to their local communities. This is facilitated, with the support of knowledgeable, enthused staff, supporting the young people to build and deliver a social action project that makes a real difference to the community organisations within their local area. This year the young people raised £15,500 for local causes.

In the year 362 (2017:) young people graduated our summer programme which was 93% of target. The programme finished second in the region for highest feedback given by young people. We are in negotiations regarding the NCS programme, next year, which would include end to end delivery with a larger in take young people.

An NCS Graduate Ambassador scheme provides volunteering opportunities for young people who have completed the NCS programme. The graduates provide an additional source of support for the NCS programmes and provide employment opportunities for 95% of the graduates from previous years that have completed the programme were given employment opportunities this year.. These graduates take part in skill development sessions, charity awareness days and access many different opportunities for gaining experience and knowledge. Our graduate programme finished in top place within the West Midlands region.

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

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

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

The Building Better Opportunities project funded by Big Lottery and European Social Funding has been successful in its first year. The project supported by two job coaches is designed to help local people move into employment or closer to it, to improve their lives and secure the future prosperity of Worcestershire. This year the project has worked with 163 participants. Due to the success of this year we expect to increase our numbers of job coaches next year.

The three community centres in Redditch and Malvern Hills are managed on behalf of the respective local councils. The Community Centres provide their locality with positive opportunities; they are well used and provide services such as afterschool clubs, health and wellbeing services and other community activities. Two of our childcare settings are based with the centres.

The Upton Hills Community Centre has maintained a utilisation of 75%, from health and wellbeing groups and childcare groups. Malvern Vale Community Centre has an average utilisation of 60%, the centre is used as a base for our childcare provision and afterschool clubs. This centre is regularly used by community groups in Malvern. A marketing assistant has been recruited here to increase external bookings and develop further relationships in the community. Willow Trees Community Centre based in Redditch, has an average utilisation of 60%. The centre has a good relationship with other local community groups and has developed partnerships to increase community engagement including annual events, weekly activities and a community café.

YMCA has increased accommodation units to 241 (2018: 227) units of safe, secure and comfortable accommodation for people in Worcestershire. This year, Worcester YMCA opened a new site 14 units of non-regulated accommodation for young people aged 18-35 in training and education. The focus for this accommodation is on affordable rents, that support young people in employment, self-employment or education and training, it will provide more opportunities for young people to secure quality accommodation regardless of income in Worcestershire. YMCA Worcester has sold their hostel in the city, we plan to continue to operate from the site until December 2019.

There are several accommodation options under consideration for the new year. We continue to explore new ways to deliver low cost housing, rent to save models and strategic relationships with other housing providers to help young people transition into more suitable housing that provides the certainty for their next stages in life.

The Supporting People contract continues for residents aged 18-24 years on behalf of Worcestershire County Council. The support team provides an average 650 hours to an average 47 residents each month. The personal development coaches aim to prepare those young people to live independently. This provides a foundation on which the support team empower and encourage young people in preparation for independent living.

We continue review our procedures to ensure their effectiveness and the safety of the tenants.

Partnerships with local supermarkets and Fair Share have increased this year with weekly donations received across several of our services. This has enabled the organisation to prevent the amount of food waste locally and provide healthy and nutritious meals to service users.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

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

This year efforts have been focused on national campaigns from YMCA England and Wales such as IAMWHOLE and Be Real. It included a social media campaign around mental health and the introduction of Whole hour which brought staff and service users together to promote better mental health.

A project plan has been implemented address the recent changes in data protection regulation and the board have reviewed the Charity Commission Code of Governance. The organisation has updated all relating policies and procedures relating to data protection to ensure they are in line with General Data Protection Legislation. This includes the introduction of a Data Protection Coordinator that supports the organisation in data protection compliance.

Volunteering remains an important part of the organisation with relationships with local colleges and universities remaining strong. Volunteer numbers have increased to 75 (2018: 34) Volunteer hours have remained consistent throughout the year with an average of 350 hours delivered across the organisation. We have plans to expand our volunteering offer including international schemes such as Erasmus and by working with the wider YMCA movement.

We have utilised the volunteer ambassadors from the NCS programme to support the efforts of YMCA. This increased volunteer hours during June to 900 hours (average 350 hours).

A youth engagement team have developed a research project aimed to support the next youth strategy through hearing the views of young people locally.

We continue to work in partnership with Worcestershire County Council, Redditch Borough Council, District Councils in Malvern Hills, Wychavon and Bromsgrove. Local Partnerships continued with Heart of Worcestershire College and the HMP Hewell placement programme. Partnerships with local churches have increased through the work of our Christian Spiritual Development Coordinator.

We continue to operate a relief fund to encourage the uptake of work by residents through offsetting some of the cost of rent where the individual would otherwise be disadvantaged by accepting work due to the loss of benefits.

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

We are particularly grateful to those who have made grants and donations to our charity and also to the various local authorities and other partners who continue to provide much needed funds and support for the continuation and expansion of our work.

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

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

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Value for Money

On 1 April 2018, the Regulator of Social Housing (RSH) has revised the regulatory approach to VFM with the objectives of:

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

The RSH requires that we report against a prescribed set of metrics. As this is the first year that these metrics have been introduced, for comparative purposes we have also included last year's performance (where it has been possible to compute them), had these metrics been in place.

#### Regulatory Metrics

RSH Metric	2018/2019	2017/18
1. Reinvestment %	-	-
2. New supply delivered %	-	-
3. Gearing%	4.2%	4.0%
4. EBITDA MRI interest cover%	240%	391%
5. Headline social housing cost per unit	£3545	£6,871
6A. Operating margin (social housing lettings only)	23.3%	32.7%
6B. Operating Margin (overall)	7.0%	4.6%
7. Return on Capital Employed	11%	2.9%

#### Commentary

As a YMCA, we are a small specialist housing association with a diverse range of activities and the consolidated results include both regulated and non-regulated housing activities. As such, comparisons with other housing associations and benchmarking are difficult. We will aim in the second year of this regulation to develop benchmarking with similar providers.

In respect of our indicators our comments are as follows:

1. **Reinvestment %** - During the year there have been no additions to social housing fixed assets, we have continued with a programme of ongoing repair and upkeep which has been expensed during the year.
2. **New supply delivered %** - During the year there have been no additions to social housing delivery. We have ambitions to deliver new social housing and are in preliminary discussions with a development partner for a new scheme for 2019/20 subject to Homes England funding.
3. **Gearing %** - This represents our net debt to lenders as percentage of the total value of our housing properties. The current level of gearing is low and we have capacity within that to borrow more and plan to utilise some of that capacity in our future development plans.

## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

4. **EBITDA MRI Interest Cover %** - This represents the level of surplus compared to the interest payable. This ratio is lower this year specifically arising from the conclusion of certain contracts, higher voids experienced in the year and one-off legal and professional fees incurred in relation to property transactions in Worcester. The majority of the voids occurred in the non-regulated housing, reflecting the nature of that accommodation which is in the process of being sold.
5. **Headline social cost per unit** - This represents social housing costs divided by total units owned and managed. The costs reflect the more intensive nature of some of our housing services. Our result would be above the average for general housing providers reflecting the more intensive nature of support services offered.
6. **6A Operating margin (social housing lettings only) %** - This represents operating surplus from social housing lettings divided by turnover from social housing lettings.  
**6B Operating margin (overall) %** - The reduction this year reflects the above commentary regarding the broad changes in income and expenditure.
7. **Return on capital employed %** - This compares the overall operating surplus to total assets less current liabilities. The level of return is lower this year reflecting the reduction in operating surplus commented on above.

#### Public Benefit

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

Communities, particularly young people within the County of Worcestershire benefit from our work.

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

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

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



## WORCESTERSHIRE YMCA LIMITED

### REPORT OF THE BOARD

#### Plans for future periods

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

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

Our main objectives for next year:

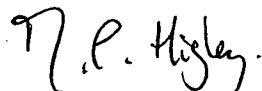
Early Years and Children: Set up an Early Years Centre of Excellence passing the learning to other sites including extended hours wrap around care, so more children benefit from better outcomes at the Early Years Foundation Stage.

Early Years and Children: Secure nursery provision in Kidderminster.

Young Adults: Identify additional development opportunities.

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

By order of the Board



M Higley  
Chair  
23 September 2019

Gordon Anstis House  
Loxley Close  
Redditch  
Worcestershire  
B98 9JS

Tel: 01527 61643

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

### **Opinion**

We have audited the financial statements of Worcestershire YMCA Limited for the year ended 31 March 2019 which comprise the Consolidated Statement of Total Comprehensive Income, the company Statement of Total Comprehensive Income, the Consolidated Statement of Changes in Reserves, the company Statement of Changes in Reserves, the Consolidated Statement of Financial Position, the company Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent Association's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (incorporating the strategic report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

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

### **Responsibilities of the board**

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
WORCESTERSHIRE YMCA LIMITED**

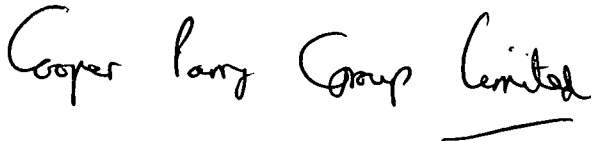
**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

A handwritten signature in black ink that reads "Cooper Parry Group Limited". The signature is written in a cursive, flowing style.

Simon Atkins FCA  
Senior Statutory Auditor

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

For and on behalf of

**Cooper Parry Group Limited**  
Statutory Auditors

23 September 2019

**WORCESTERSHIRE YMCA LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31 MARCH 2019**

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>Turnover</b>	4,439,725	3,408,262
Operating expenditure	(3,807,975)	(3,186,229)
	<hr/>	<hr/>
<b>Operating surplus</b>	631,750	222,033
Interest receivable and other income	31	31
Interest and financing costs	(71,303)	(66,205)
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<u>560,478</u>	<u>155,859</u>

The consolidated financial statements were approved by the Board on 23 September 2019



M Higley  
Trustee

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

**WORCESTERSHIRE YMCA LIMITED**

**COMPANY STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31 MARCH 2019**

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>Turnover</b>	2,659,159	2,608,705
Operating expenditure	(2,700,160)	(2,573,227)
	<hr/>	<hr/>
<b>Operating surplus</b>	(41,001)	35,478
Interest receivable and other income	-	-
Interest and financing costs	(53,236)	(63,998)
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	(94,237)	(28,520)
	<hr/>	<hr/>

The consolidated financial statements were approved by the Board on 23 September 2019

*M P Higley*

M Higley  
Trustee

The company's results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

**WORCESTERSHIRE YMCA LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE  
YEAR ENDED 31 MARCH 2019**

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

**WORCESTERSHIRE YMCA LIMITED**

**COMPANY STATEMENT OF CHANGES IN RESERVES FOR THE  
YEAR ENDED 31 MARCH 2019**

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



**WORCESTERSHIRE YMCA LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 MARCH 2019**

		Unrestricted				
		General Fund	Designated	Restricted	Total	Total
		2019	Funds	Funds	2019	2018
	Note	£	£	£	£	£
<b>Income from:</b>						
Donations and grants		36,456	-	282,066	318,522	359,439
Other trading activities		1,086,892	-	-	1,086,892	187,456
Investment income	5	31	-	-	31	31
Charitable activities	3	2,518,971	-	515,340	3,034,311	2,861,366
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>		3,642,350	-	797,406	4,439,756	3,408,292
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>						
Raising funds – trading activities		282,488	-	-	282,488	-
Charitable activities		2,671,516	-	925,274	3,596,790	3,252,433
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	6	2,954,004	-	925,274	3,879,278	3,252,433
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income for the year before other recognised gains and losses</b>		688,346	-	(127,868)	560,478	155,859
Transfer between funds	18	32,571	(32,571)	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		720,917	(32,571)	(127,868)	560,478	155,859
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Reconciliation of funds</b>						
Fund balance at 1 April 2018		1,710,726	1,944,879	127,868	3,783,473	3,627,614
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31 March 2019	18	2,431,643	1,912,308	-	4,343,951	3,783,473
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

All activities derive from continuing operations.

**WORCESTERSHIRE YMCA LIMITED**

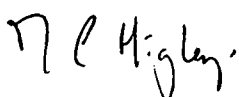
**STATEMENT OF FINANCIAL POSITION**

31 March 2019

Registered company number: 01944516

	Notes	Group 2019 £	2018 £	Association 2019 £	2018 £
<b>Fixed assets</b>					
Housing properties	11	4,523,767	3,218,296	3,148,778	3,218,296
Other tangible fixed assets	12	59,127	65,859	37,318	62,654
Investments	13a	690	690	-	-
Goodwill	13b	396,587	-	-	-
		<u>456,404</u>	<u>66,549</u>	<u>37,318</u>	<u>62,654</u>
<b>Current assets</b>					
Investment property	14	-	1,300,000	-	-
Stock	16	704	760	-	-
Debtors	15	203,084	210,284	373,450	176,605
Cash at bank and in hand		2,059,497	1,003,545	167,640	707,418
		<u>2,263,285</u>	<u>2,514,589</u>	<u>541,090</u>	<u>884,023</u>
<b>Creditors: amounts falling due within one year</b>	17a	(574,225)	(470,812)	(379,837)	(664,908)
<b>Net current assets</b>		<u>1,689,060</u>	<u>2,043,777</u>	<u>161,253</u>	<u>219,115</u>
<b>Total assets less current liabilities</b>		<u>6,669,231</u>	<u>5,328,622</u>	<u>3,347,349</u>	<u>3,500,065</u>
<b>Creditors: amounts falling due after more than one year</b>	17b	(1,966,066)	(1,150,134)	(1,117,264)	(1,150,134)
Provision for liabilities and charges	22	(359,214)	(395,015)	(277,676)	(303,285)
<b>Net assets</b>		<u>4,343,951</u>	<u>3,783,473</u>	<u>1,952,409</u>	<u>2,046,646</u>
<b>Represented by</b>					
<b>Unrestricted funds</b>					
General funds	18	2,790,857	1,266,064	317,777	277,184
Designated funds	18	1,912,308	1,944,879	1,912,308	1,944,879
Pension reserve	18	(359,214)	(395,015)	(277,676)	(303,285)
Revaluation reserve	18	-	839,677	-	-
		<u>4,343,951</u>	<u>3,655,605</u>	<u>1,952,409</u>	<u>1,918,778</u>
<b>Restricted funds</b>	18	-	127,868	-	127,868
<b>Total</b>		<u>4,343,951</u>	<u>3,783,473</u>	<u>1,952,409</u>	<u>2,046,646</u>

Approved by the Board on 23 September 2019

  
M Higley

The accompanying notes form part of these financial statements.

**WORCESTERSHIRE YMCA LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2019

	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Net cash generated from operating activities</b>	20	(133,592)	377,183
<b>Returns on investment and servicing of finance</b>			
Interest paid		(71,303)	(59,230)
Interest received		31	31
		<hr/>	<hr/>
<b>Net cash outflow from returns on investments and servicing of finance</b>		(71,272)	(59,199)
		<hr/>	<hr/>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(597,069)	(4,016)
Proceeds from sale of fixed assets		1,850,000	-
Acquisition of subsidiary		(874,292)	-
		<hr/>	<hr/>
<b>Net cash (outflow) / inflow from capital expenditure</b>		378,639	(4,016)
		<hr/>	<hr/>
<b>Financing</b>			
Net movement in short term borrowings		33,375	1,560
Net movement in long term borrowings		848,802	(37,555)
		<hr/>	<hr/>
<b>Net cash (outflow)/inflow from financing</b>		882,177	(35,995)
		<hr/>	<hr/>
<b>Net change in cash and cash equivalents</b>	21	1,055,952	277,973
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**1 Legal status**

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

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

The principal activities of Worcestershire YMCA are outlined on page 7 to the financial statements.

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

**2 Accounting policies**

The principal accounting policies of the company are as follows:

**Basis of accounting**

The financial statements have been prepared in accordance with UK applicable accounting standards (UK GAAP) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

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

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

**Consolidated accounts**

The group is required by the Charities Act 2011 to prepare consolidated accounts. These consolidated accounts therefore comprise the financial statements of Worcestershire YMCA Limited, and of its subsidiary Worcester YMCA.

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

**Business Combinations**

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

**Going concern**

The Group financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charitable company to be able to continue as a going concern

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**Incoming resources**

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

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

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

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

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

**Supporting People Grant**

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

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

**Resources expended**

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

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

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

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

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**Tangible fixed assets – housing properties**

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

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

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

**Other tangible fixed assets**

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

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

**Restricted reserves**

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

**Designated reserves**

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

**Stock**

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

**Housing Properties**

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

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

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

**Investments**

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

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**Pensions**

Worcestershire YMCA Limited and Worcester YMCA participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcestershire YMCA Limited and Worcester YMCA; therefore the scheme is accounted for as a defined contribution scheme.

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

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

**Taxation**

Worcestershire YMCA is a registered Charity and is therefore exempt from paying corporation tax on charitable activities.

Little Treasures Limited is not registered as a charity and therefore corporation tax would be payable on tax surpluses should they arise.

**Value Added Tax (VAT)**

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

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

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

**Operating leases**

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

**Finance leases and hire purchase**

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

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**Loan Interest Costs**

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

**Borrowings**

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

**Provisions**

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

**Critical areas of judgement**

**Leases**

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

**Useful lives of depreciable assets**

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



**WORCESTERSHIRE YMCA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

**3 Incoming resources**

Income was generated entirely within the UK and comprised:

	<b>Unrestricted/ Designated 2019 £</b>	<b>Restricted 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>Residential accommodation</b>				
Gross income before voids	1,476,992	-	1,476,992	1,414,466
less: voids	(376,051)	-	(376,051)	(270,587)
Other accommodation related non-regulated housing activity	802,282	-	802,282	746,094
	<hr/>	<hr/>	<hr/>	<hr/>
Income from residential accommodation	1,903,223	-	1,903,223	1,889,973
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Community activities</b>				
Children and youth services	752,153	-	752,153	606,613
Family services	378,935	-	378,935	364,780
	<hr/>	<hr/>	<hr/>	<hr/>
Income from community activities	1,131,088	-	1,131,088	971,393
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income from activities</b>	<b>3,034,311</b>	<b>-</b>	<b>3,034,311</b>	<b>2,861,366</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Of the income received in 2018, £2,713,005 was attributable to unrestricted funds and £148,361 was attributable to restricted funds.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**3 Incoming resources from housing activities (continued)**

**Social housing income and expenditure**

	<b>2019 £</b>	<b>2018 £</b>
Rent receivable excluding service charges	532,580	554,666
Service charges receivable	555,280	578,308
Gross rent receivable net of void losses	<u>1,087,860</u>	<u>1,132,974</u>
Social housing operating costs	<u>(535,840)</u>	<u>(688,071)</u>
Operating surplus from housing activities	<u><u>552,020</u></u>	<u><u>444,903</u></u>

Void losses are detailed above.

**Units under management**

	<b>2019 No.</b>	<b>2018 No.</b>
The units in management were as follows:		
Accommodation – units owned	<u>167</u>	<u>167</u>
The nature of the owned units was as follows:		
General needs – Knowle Close and 3 properties at Bengrove Close	115	115
Supported - Gordon Anstis House	<u>52</u>	<u>52</u>
	<u><u>167</u></u>	<u><u>167</u></u>

The above figures exclude 72 units in respect of Worcester YMCA that are not regulated by the Homes and Communities Agency.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**4 Operating surplus**

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

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation of housing properties	94,529	63,994	69,519	63,993
Depreciation of other tangible fixed assets	30,700	38,912	26,427	34,311
Auditors remuneration – audit of financial statements	20,000	15,150	10,029	12,000
Auditors remuneration – other services	1,000	1,000	1,000	1,000

**5 Interest receivable and similar income**

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest receivable and similar income	31	31	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**WORCESTERSHIRE YMCA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

**6 Resources expended**

**a) Property management, maintenance and service costs**

	Residential Accommodation regulated £	Accommodation non-regulated £	Children and Youth services £	Adult and Community Services £	Corporate Services £	Trading Costs £	2019 Total £	2018 Total £
<b>Directly incurred</b>								
People related	279,372	412,454	973,972	54,310	430,895	221,669	2,372,672	2,031,955
Premises related	279,374	196,260	60,050	33,701	-	20,104	589,489	552,208
Vehicle related	-	-	-	-	-	606	606	14,707
Office costs	16,075	18,142	22,187	6,312	11,313	4,902	78,931	100,909
Other direct expenses	10,639	41,951	188,986	2,470	56,073	20,609	320,728	181,215
Overheads	47,858	42,721	12,824	3	133,064	11,125	247,595	273,836
Other costs	90,408	19,265	825	22	44,066	1,235	155,821	(5,297)
Depreciation	90,718	20,480	-	-	-	14,031	125,229	102,900
Taxation	-	-	-	-	-	(11,793)	(11,793)	-
<b>Direct charitable expenditure</b>	<b>814,444</b>	<b>751,273</b>	<b>1,258,844</b>	<b>96,818</b>	<b>675,411</b>	<b>282,488</b>	<b>3,879,278</b>	<b>3,252,433</b>

Of the expenditure incurred £2,954,004 relates to unrestricted funds (2018: £3,038,282 and £925,274 relates to restricted funds (2018: 214,151).

Core management recharges are calculated on the basis of 12.5% of budgeted income for that service line and other specific recharges are made in accordance with the agreed bid terms.

Indirect resources expended are allocated on a staff time basis.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**7 Employee costs**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Salaries and wages	1,836,972	1,850,194
Social security costs	109,212	143,195
Pension and other costs	96,006	41,345
	<hr/>	<hr/>
	2,042,190	2,034,734
	<hr/>	<hr/>

	<b>2019</b> <b>No.</b>	<b>2018</b> <b>No.</b>
--	---------------------------	---------------------------

The average monthly number of persons employed during the year were as follows:

Housing activities	19	20
Non-housing activities	135	105
	<hr/>	<hr/>
	154	125
	<hr/>	<hr/>

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

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

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

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**8 Employee costs – senior leadership team**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
The aggregate remuneration of the senior leadership team during the year was as follows:		
Salaries	138,687	132,617
Social security costs	14,686	14,919
Pension	20,390	14,467
	<hr/>	<hr/>
	173,763	162,003
	<hr/>	<hr/>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>

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

Chief Executive - Salary	51,627	50,847
- Pension	6,461	6,461
	<hr/>	<hr/>
	58,088	57,308
	<hr/>	<hr/>

The Chief Executive is an ordinary member of the YMCA pension scheme and no enhanced or special terms apply. The Chief Executive participates in the YMCA contributory pension scheme as per Note 23..

No employees are paid in excess of £60,000 (2018: no employees).

**9 Interest payable and similar charges**

Interest payable and similar charges comprised mortgage interest.

**10 Taxation**

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

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**11 Housing properties – Group**

With the exception of Bengrove Close, all housing properties owned by the Association were social housing grant assisted schemes. The movement on these accounts during the year is as follows:

	<b>Knowle Close</b>	<b>Gordon Anstis House</b>	<b>Bengrove Close</b>	<b>Frederick Eary House</b>	<b>Stanley Road</b>	<b>Little Treasures</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>			<b>£</b>
<b>Cost</b>							
At 1 April 2018	1,301,169	1,570,000	97,000	534,384	-	-	3,502,553
Additions	-	-	-	-	585,000	815,000	1,400,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	1,301,169	1,570,000	97,000	534,384	585,000	815,000	4,902,553
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>							
At 1 April 2018	82,827	114,203	9,052	78,175	-	-	284,257
Charge for year	28,464	30,967	1,612	8,475	16,453	8,558	94,529
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	111,291	145,170	10,664	86,650	16,453	8,558	378,786
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>							
At 31 March 2019	1,189,878	1,424,830	86,336	447,734	568,547	806,442	4,523,767
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2018	1,218,342	1,455,797	87,948	456,209	-	-	3,218,296
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The land and buildings of the association at Knowle Close have a value for insurance purposes of £5,745,000 (2018: £6,415,555), at Gordon Anstis House of £2,600,000 (2018: £2,280,000), at Bengrove Close of £735,000 (2018: £238,904), Fredrick Eary House of £2,300,000 (2018: £1,760,000) and at Stanley Road £585,000. In the view of the Board, this is a fair statement of the current value of the Association's land and buildings.

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

Capital commitments are disclosed in note 24.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**12 Other tangible fixed assets - Group**

	<b>Motor van £</b>	<b>Computer equipment £</b>	<b>Other equipment £</b>	<b>Fixtures £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2018	37,802	248,282	88,718	117,848	492,650
Additions	11,050	1,281	2,113	9,524	23,968
At 31 March 2019	<u>48,852</u>	<u>249,563</u>	<u>90,831</u>	<u>127,372</u>	<u>516,618</u>
<b>Accumulated depreciation</b>					
At 1 April 2018	37,802	243,957	76,528	68,504	426,791
Charge for year	42	3,312	3,503	23,843	30,700
At 31 March 2019	<u>37,844</u>	<u>247,269</u>	<u>80,031</u>	<u>92,347</u>	<u>457,491</u>
<b>Net book value</b>					
At 31 March 2019	11,008	2,294	10,800	35,025	59,127
At 1 April 2018	<u>-</u>	<u>4,325</u>	<u>12,190</u>	<u>49,344</u>	<u>65,859</u>

**Other tangible fixed assets – Association**

	<b>Motor van £</b>	<b>Computer equipment £</b>	<b>Other equipment £</b>	<b>Fixtures £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2018	37,802	114,783	88,718	117,793	359,096
Additions	-	1,094	-	-	1,094
At 31 March 2019	<u>37,802</u>	<u>115,877</u>	<u>88,718</u>	<u>117,793</u>	<u>360,190</u>
<b>Accumulated depreciation</b>					
At 1 April 2018	37,802	113,608	76,528	68,504	296,442
Charge for year	-	511	3,503	22,416	26,430
At 31 March 2019	<u>37,802</u>	<u>114,119</u>	<u>80,031</u>	<u>90,920</u>	<u>322,872</u>
<b>Net book value</b>					
At 31 March 2019	-	1,758	8,687	26,873	37,318
At 1 April 2018	<u>-</u>	<u>1,175</u>	<u>12,190</u>	<u>49,289</u>	<u>62,654</u>



**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**13a Investments**

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COIF Charities Investment</b>				
Market value at 1 April 2018	690	690	-	-
Change in market value	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2019	690	690	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**13b Goodwill**

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Little Treasures Limited</b>				
Additions	440,652	-	-	-
Amortisation	(44,065)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2019	396,587	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**13c Investments: wholly controlled subsidiary undertakings**

The parent charitable company wholly controls the following charitable company:

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

Worcester YMCA wholly controls Little Treasures Limited which is incorporated in England and Wales and Limited by guarantee.

**Statement of total comprehensive income**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Turnover</b>	1,780,567	799,589
Operating expenditure	(1,124,124)	(613,034)
	<hr/>	<hr/>
Operating surplus / (deficit)	656,443	186,555
Interest receivable and other income	31	32
Interest and financing costs	(1,759)	(2,208)
	<hr/>	<hr/>
Surplus for the year	<u>654,715</u>	<u>184,379</u>

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**13c Investments: wholly controlled subsidiary undertakings (continued)**

**Statement of financial position**

	2019	2018
	£	£
<b>Fixed assets</b>		
Tangible fixed asset	1,396,804	3,210
Investments	<u>397,277</u>	<u>690</u>
	1,794,081	3,900
<b>Current assets</b>		
Freehold property	-	1,300,000
Stock	700	761
Debtors	107,660	299,861
Cash at bank and in hand	<u>1,891,856</u>	<u>296,127</u>
	2,000,216	1,898,749
<b>Creditors: amounts falling due within one year</b>	<u>(470,415)</u>	<u>(72,091)</u>
<b>Net current assets</b>	<u>1,529,801</u>	<u>1,824,658</u>
<b>Total assets less current liabilities</b>	3,323,882	1,828,558
<b>Amounts falling due in more than one year</b>		
<b>Creditors: amounts falling due after more than one year</b>	(848,803)	-
Provisions for liabilities and charges	(83,537)	(91,731)
<b>Net assets</b>	<u>2,391,542</u>	<u>1,736,827</u>

**14 Property held as current asset**

In the year ended 31 March 2018 the freehold property at Henwick Road was being marketed for sale. The property was revalued as at 31 March 2016 by Katherine Price (Msc MRICS) of Andrew Price Professional Services. The market value of £1,300,000 is included in these accounts as a comparative amount. The property was sold in the year under review.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**15 Debtors**

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent arrears	401,985	358,449	306,056	221,331
Provision against rent arrears	(330,508)	(268,424)	(263,778)	(149,948)
	<u>71,477</u>	<u>90,025</u>	<u>42,278</u>	<u>71,383</u>
Other debtors	93,064	42,098	311,164	37,971
Prepayments and accrued income	38,543	78,161	20,008	67,251
	<u>203,084</u>	<u>210,284</u>	<u>373,450</u>	<u>176,605</u>

**16 Stocks**

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Food stocks	<u>704</u>	<u>760</u>	<u>-</u>	<u>-</u>

**17a Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	65,121	35,335	31,746	35,335
Deposits held for residents	8,666	8,995	8,666	8,995
Social security and other taxes	29,542	28,271	20,951	21,712
Trade creditors	159,782	212,799	109,700	163,137
Other creditors	10,133	7,662	6,214	270,892
Accruals and deferred income	300,981	177,750	202,560	164,837
	<u>574,225</u>	<u>470,812</u>	<u>379,837</u>	<u>664,908</u>

**WORCESTERSHIRE YMCA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

**17a Creditors: amounts falling due within one year (continued)**

The average number of days between receipt and payment of purchase invoices was 30 (2018: 30).

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

Included in accruals and deferred income above is deferred income of £235,711 (2018: £151,230) and this is analysed below:

	£
Deferred income brought forward	151,230
Movement during the year	84,481
	<hr/>
Deferred income carried forward	235,711
	<hr/> <hr/>

**17b Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Association</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	1,966,066	1,150,134	1,117,264	1,150,134
	<hr/>	<hr/>	<hr/>	<hr/>
Loan maturity analysis				
Within one year	65,121	35,335	31,746	35,335
Within one to two years	66,375	36,885	33,000	36,885
Within two to five years	207,243	120,718	107,118	120,718
In more than 5 years	1,692,448	992,531	977,146	992,531
	<hr/>	<hr/>	<hr/>	<hr/>
	2,031,187	1,185,469	1,149,010	1,185,469
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Interest is payable on the loans at normal commercial rates.

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

**WORCESTERSHIRE YMCA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

**18 Movement in funds - Group**

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

**Designated**

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

**Restricted**

Supporting People      Provision of support for vulnerable homeless young people

Community Capacity      Provision of information and guidance on community provision

Redditch Youth      Provision of positive activities for young people

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

National Citizen Service      Provision of social action training for young people aged 16 and 17 years old

Shaw Trust      Provision of support in communities to improve numbers in education, employment and training

BBO Job Coach      Provision of support for economically inactive and unemployed person aged 16+

CCG      Provision of mental health counselling for children aged 11 to 18 years

Positive Activities      Provision of positive activities in Bromsgrove

Bromsgrove Hub      Youth club and provision of positive activities in Bromsgrove

**WORCESTERSHIRE YMCA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

**18 Movement in funds – Group – prior year**

	Balance at 1 April 2017 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2018 £
<b>Designated funds</b>					
Financed fixed assets	1,969,911	-	-	(25,032)	1,944,879
<b>General fund</b>	1,009,664	3,125,123	(3,079,204)	210,481	1,266,064
<b>Revaluation reserve</b>	839,677	-	-	-	839,677
<b>Pension reserve</b>	(435,937)	-	40,922	-	(395,015)
<b>Total unrestricted funds</b>	3,383,315	3,125,123	(3,038,282)	185,449	3,655,605
<b>Restricted funds</b>					
Supporting People	43,136	148,862	(112,501)	-	79,497
Foyer Grants	82,286	-	-	(82,286)	-
National Lottery Charities Board	103,163	-	-	(103,163)	-
Big Lottery Fund	15,714	134,307	(101,650)	-	48,371
<b>Total restricted funds</b>	244,299	283,169	(214,151)	(185,449)	127,868
<b>Total funds</b>	3,627,614	3,408,292	(3,252,433)	-	3,783,473

**19 Analysis of net assets between funds**

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

**WORCESTERSHIRE YMCA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

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

	<b>Fixed assets £</b>	<b>Invest- ment £</b>	<b>Current assets £</b>	<b>Creditors falling due within one year £</b>	<b>Creditors falling due after more than one year £</b>	<b>Provisions for liabilities and charges £</b>	<b>Total £</b>
<b>Unrestricted funds</b>							
General	153,807	690	1,547,044	(435,477)	-	-	1,266,064
Designated	3,130,348	-	-	(35,335)	(1,150,134)	-	1,944,879
Pension Reserve	-	-	-	-	-	(395,015)	(395,015)
Revaluation Reserve	-	-	839,677	-	-	-	839,677
<b>Restricted funds</b>	-	-	127,868	-	-	-	127,868
<b>Net assets at 31 March 2018</b>	<b>3,284,155</b>	<b>690</b>	<b>2,514,589</b>	<b>(470,812)</b>	<b>(1,150,134)</b>	<b>(395,015)</b>	<b>3,783,473</b>

**20 Cash outflow from operating activities**

	<b>2019 £</b>	<b>2018 £</b>
Net movement in funds	560,477	155,859
Interest paid	71,303	59,230
Interest received	(31)	(31)
Profit on disposal	(550,000)	-
Depreciation of tangible fixed assets	125,229	102,906
Amortisation	44,065	-
Decrease in debtors	7,200	(2,659)
(Increase) / decrease in stock	56	1,383
(Increase) / decrease in creditors	(358,090)	101,417
(Decrease) in provisions	(33,801)	(40,922)
	<b>(133,592)</b>	<b>377,183</b>

**21 Analysis of cash and cash equivalents**

	<b>At 1 April 2018 £</b>	<b>Cash Flow £</b>	<b>Non-cash Changes £</b>	<b>At 31 March 2019 £</b>
Cash at bank and in hand	1,003,545	1,055,952	-	2,059,497



# **WORCESTERSHIRE YMCA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2019**

### **22 Business combinations and goodwill**

On 31/08/2018 Worcester YMCA acquired control of Little Treasures Limited for consideration of £892,912.

Recognised amounts of identifiable assets acquired and liabilities assumed	Book Value £	Fair Value £
Tangible	826,899	826,899
Stocks	-	-
Debtor	2,268	2,268
Cash at bank and in hand	<u>18,619</u>	<u>18,619</u>
Total assets	20,887	20,887
Due within one year	(395,526)	(395,526)
Due more than one year	-	-
Total identifiable net assets	452,260	452,260
Goodwill		440,652
<b>Total purchase consideration</b>		<b>892,912</b>

### **23 Pension commitment**

Worcestershire YMCA Limited and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA Limited and Worcester YMCA and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

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

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcestershire YMCA Limited and Worcester YMCA for the purposes of FRS17 disclosure and accordingly the FRS17 deficit is not shown on the balance sheet.

# WORCESTERSHIRE YMCA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

### 22 Pension commitment (continued)

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

The valuation prepared as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. Worcestershire YMCA has been advised that it will need to make monthly contributions of £4,504 from 1 May 2019. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years commencing 1st May 2019.

	Within 1 year £	One to two years £	Two to five years £	After five years £	After more than one year £	Total 2019 £	Total 2018 £
As at 31 March 2019	<u>44,902</u>	<u>44,902</u>	<u>134,705</u>	<u>134,705</u>	<u>314,313</u>	<u>359,214</u>	-
As at 31 March 2019	<u>43,891</u>	<u>43,891</u>	<u>131,672</u>	<u>175,561</u>	<u>351,124</u>		<u>395,015</u>

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

#### YMCA contributory pension scheme

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

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

The total pension charge for the year is shown in note 7. The amount outstanding at the year-end was £7,717 (2018: £5,495).

### 23 Contingent liabilities

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

As detailed in note 22 above, Worcestershire YMCA Limited and Worcester YMCA may incur liabilities in the event of the non-payment by other participating YMCA's of their share of the YMCA Pension Plan's current deficit. The method of allocation of the deficit has not yet been finalised and the future ability of other participating YMCA employers to meet their obligations cannot presently be determined. No provision for any liability that may arise has been made in these financial statements.

**WORCESTERSHIRE YMCA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**24 Capital commitments**

There were no capital commitments at the balance sheet date (2018: £nil).

**25 Financial commitments**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2019:

	<b>2019 Other £</b>	<b>2018 Other £</b>
<b>Contracts expiring</b>		
Within one year	67,500	2,835
Within two to five years	34,684	48,557
	<hr/>	<hr/>
	<b>2019 Land and buildings £</b>	<b>2018 Land and buildings £</b>
Over five years	324,300	338,400
	<hr/>	<hr/>

**26 Related Party Transactions**

During the year Worcester YMCA made loans and recharged expenses to Worcestershire YMCA Limited amounting to £356,586 (2018: £112,854). Worcestershire YMCA owed Worcester YMCA £187,628 (2018: £266,188) at the year end.

Little Treasurers Limited, subsidiary of Worcester YMCA made loans and recharged expenses to Worcestershire YMCA amounting to £187,628. during the period. £187,628 was owed at the year end. The movements relate to net cash movements during the year and the recharges noted above.

The movement relates to net cash movements during the year and the recharges noted above.

**27 Legal status of the charitable company**

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

**28 Ultimate controlling party**

Worcestershire YMCA Limited is controlled by its Board of Trustees.