

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

**ONE YMCA  
(LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**REPORTS AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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## CORPORATE INFORMATION

### TRUSTEE BOARD AND BOARD OFFICERS

<b>Chair</b>	Andrew Newell
<b>Vice Chair:</b>	Nicholas Mourant
<b>Treasurer:</b>	Nicholas Mourant
<b>Trustees:</b>	John Ball Max Beddard Simon Box Jane Cotton Clare Hearnshaw Ben Johnson John Knight Nicola Lucas Nicholas Mourant Andrew Newell Sal Thirlway Javier Uriarte Nicola Grinstead (from 11 March 2020) Alan Victor (from 11 March 2020) Dionne McCalla (to 12 July 2019) Christine Neyndorff (to 25 September 2019)
<b>Company Secretary:</b>	Jonathan Kalemera (from 24 January 2020) David Martin (to 24 January 2020)

### CORPORATE INFORMATION

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

### EXECUTIVE MANAGEMENT TEAM

<b>Chief Executive</b>	Guy Foxell
<b>Director of Resources</b>	David Martin (to 1 November 2019)
<b>Interim Director of Housing</b>	Chris Ellison (to 30 April 2019)
<b>Director of Family Services</b>	Serreta Pritchard
<b>Director of Operations</b>	Mark Turner
<b>Director of Business Development</b>	Michael Howe (from 1 January 2020)
<b>Director of Corporate Services</b>	Jonathan Kalemera (from 7 January 2020)

### AUDITORS, BANKERS, INVESTMENT MANAGER AND SOLICITORS

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

## **REPORT OF THE TRUSTEE BOARD**

The Trustee Board presents its annual report together with the audited financial statements for the year ended 31 March 2020.

### **Organisation**

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

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

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

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

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

### **Trustee Board**

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

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

During the period since the last report, Nicola Grinstead and Alan Victor were welcomed as new trustees. Also, Dionne McCalla and Christine Neyndorff stood down as Trustees. A Trustee Board Chair review and feedback process was facilitated by the Chair of the Governance & People Committee.

### **Strategic management**

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

During the year, the Trustee Board:

- Held two strategy away meetings to facilitate the five-year planning process for the charity, which resulted in the kick-starter event for our #Mission25 staff-led strategy process, the children's services vision and a workshop on strategic risk appetite,
- Reviewed terms of reference for the Trustee Board, Early Childhood Partnership and all committees,
- The Peartree Working Group as a task and finish group of trustees and senior staff progressed work on the Peartree redevelopment programme,
- Reviewed the Code of Governance compliance arrangements,
- Reviewed its key policies along with its financial, investment and people strategies,
- Undertook succession planning work with regard to both the Trustee Board itself and in respect of key staff,

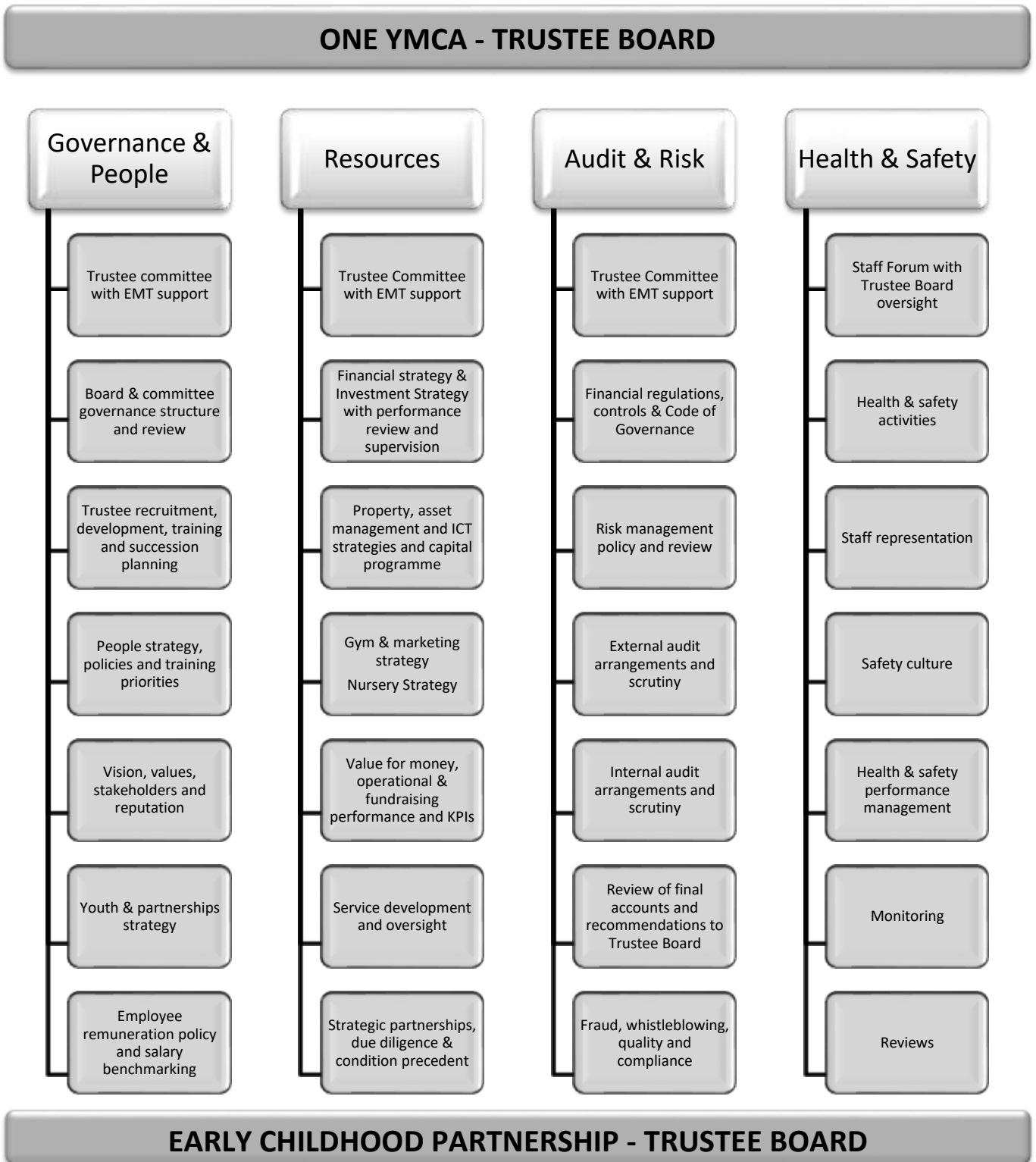
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- Ensured that group policies and control frameworks such as financial regulations applied on a group basis, and
- Worked with the Executive to develop and implement a plan for mitigating the impact of the Coronavirus pandemic.

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

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



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As at 31 March 2020, the membership of each committee was as follows:

Governance & People	Resources	Audit & Risk	Health & Safety
Jane Cotton (Chair)	Nick Mourant (Chair)	John Ball (Chair)	Ben Johnson
Nicola Lucas	Ben Johnson	Max Beddard	Company Secretary (Chair)
Simon Box	John Knight	Nick Mourant	Executive team
Clare Hearnshaw		Javier Uriarte	Service representatives

In addition, Sal Thirlway, Dionne McCalla (up to 12 July 2019), Jane Cotton (up to 5 December 2019), and Alan Victor (from March 2020) served on the Early Childhood Partnership trustee board.

**Recruitment of members of the Trustee Board**

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

- Trustee recruitment exercises via national voluntary press and volunteering websites,
- Recommendation from partner organisations,
- Stakeholders,
- Contacts made by staff members and members of the Trustee Board.

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

**Executive Management Team**

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

**Employees**

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

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

**Gender pay reporting**

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

The gender pay reporting principles demonstrate the following position as a snapshot on 5 April 2020 was:

- Mean gender pay gap – 10%
- Median gender pay gap – Nil
- Mean bonus gender pay gap – Nil
- Median bonus gender pay gap – Nil
- Proportion of males receiving a bonus payment - Nil

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- Proportion of females receiving a bonus payment – Nil
- Proportion of males and females in each quartile pay band –
  - Top quartile – 39% male & 61% female;
  - Upper middle quartile – 14% male & 86% female;
  - Lower middle quartile – 33% male and 67% female and
  - Lower quartile – 32% male and 68% female

As at the date of this report, the Charity's management arrangements were 80% male and 20% female at an Executive level. At full Senior Management Team level, the split is 64% male and 36% female.

#### **Compliance with taxation**

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

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

#### **Information security**

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

#### **Indemnity insurance**

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

#### **Health and Safety**

The Trustees are aware of their responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides staff training and education on health and safety matters. During the year, the health and safety committee met on four occasions comprising of representatives of all service areas and the first three meetings were chaired by the Director of Resources & Company Secretary and the final one by the Head of Safety and Compliance.

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

- a) The previous roles of Head of Assets and Head of Safety & Compliance have now been combined and a new Head of Asset Development & Compliance will start in July 2020. We expect this to provide the necessary authority to the new role to ensure that health and safety requirements are addressed more promptly.
- b) The Ultimate Manager IT system for compliance reporting was implemented,
- c) Ongoing fire safety reviews took place to ensure that the Company is best prepared to deal with its buildings,
- d) A BDO audit provided a number of recommendations which will be addressed in the current financial year.

### **Creditors' payments**

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

### **Investment powers**

In accordance with the Articles of Association, the Trustee Board may exercise the power to delegate to any person, company or other organisation any of the Group's powers of investment, administration or management of all or any part of the money and investments of the Group. Accordingly, the funds held as investments by the Group were managed on behalf of the Trustees by CCLA Investment Management Ltd. The Group has continued to adopt a conservative investment policy that seeks to balance capital preservation and achieving an appropriate return. The cyclical Investment Strategy review process was completed in May 2019 with particular attention being paid to the ethical basis of investment management.

### **Public Benefit**

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

### **Complaints**

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

### **Donations**

During the year, the Group made donations of £45,000 (2019: £23,935) to:

- a) New Hope - £10,000 – to support a shared chaplaincy post,
- b) Wellspring Church - £10,000 – to support the Dignify project,
- c) Families First Bedfordshire - £20,000 – to support the activities remaining prior to the transfer to Early Childhood Partnership,
- d) Y Care International - £5,000 – to support work with young people worldwide.

### **Going Concern**

In light of the uncertainties arising from the impact of the coronavirus pandemic the Trustees have reviewed the group's financial position and financial forecasts to test how those uncertainties might affect the entity's ability to continue as a going concern. The Executive has produced a number of scenarios including the positive, realistic and severe scenarios modelling income and expenditure as well as cashflows over the foreseeable future.

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

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

### **Reserves Policy**

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



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

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

The reserves as at 31 March 2020 were as follows:

<u>Reserves</u>	<u>£</u>
Housing property revaluation reserve	5,447,428
Revenue reserve	9,085,149
Restricted reserve	18,156
<b>Total unrestricted funds (revenue reserve)</b>	<b><u>£14,550,733</u></b>

When taking these reserves into account, the revaluation reserve relates to accounting adjustments which are not cash based. The revenue reserve amounted to £9,085,149 of which free reserves total £3,470,538.

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

- Six months of salary and running costs are approximately £5.5 million, and
- Business interruption insurance cover is in place with a two-year indemnity period.

Accordingly, the Trustees consider it prudent to retain working balances of £2.0 million in cash and/or readily realisable unit trust investments that are not designated or earmarked in order to meet unforeseen risks or obligations. The Trustees are content with the current level of reserves.

### **Risk Management**

The Audit & Risk Committee has delegated authority from the Trustee Board to ensure that an active risk management process is in place and forms part of the ongoing organisational activity. During the year, the Trustees reviewed its risk management policy along with its strategic risk register. The register identifies the types of risks the Group faces and prioritises them in terms of potential impact and likelihood of occurrence. The strategic risk register is a standing item at each Audit & Risk Committee and the Trustee Board reviews the strategic risks on a regular basis. The Trustees are satisfied that the Group's internal financial controls comply in all material respects with the guidelines issued by the Charity Commission and Regulator for Social Housing and has established a separate internal audit function (carried out by an independent internal audit firm) to review risks on a rotational basis. The principal risk affecting the Group continues to be the uncertain external economic environment (compounded by the impact of the Coronavirus pandemic for some services) that could adversely affect income. The Trustees confirm that they have identified and understand the risks to which the Group is subject and that they are being actively managed.

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

Following external facilitation and advice from Campbell Tickell the Trustees reviewed and adopted a new strategic risk appetite in July 2019.

### **Internal Controls Assurance**

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

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or

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loss. One of the primary internal audit exercises during the year was to undertake an analytical review of all payments made to identify exceptions. A positive assurance rating was achieved in respect of this work.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the year commencing 1 April 2019 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board-approved terms of reference and delegated authorities for Resources, Governance & People, Audit & Risk Committees and Health & Safety Forum,
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks,
- Formal recruitment policies for all staff,
- Established authorisation and appraisal procedures for significant new initiatives and commitments,
- Regular review of cash flow and treasury management by the Resources Committee,
- Reviewing the Register of assets and liabilities,
- Regular reporting to the appropriate committee on key business objectives, targets and outcomes,
- Board approved Code of Conduct,
- Board approved safeguarding, health & safety, whistle-blowing, anti-fraud and corruption policies,
- Board approved fraud policies, covering prevention, detection and reporting, together with recoverability of assets.

A fraud register is maintained and is reviewed by the Audit & Risk Committee on a regular basis. During the year, there were no material findings of fraudulent activity. In the cases that were reviewed, it demonstrated areas for the tightening of local working practice although it is noteworthy to report that total losses of charitable funds were less than £500.

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

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

#### **Code of Governance**

The Trustee Board is pleased to report that the Group complies with National Housing Federation's Code of Governance (2015). During the course of the year, the Audit & Risk Committee reviewed the compliance framework as well as approving the annual review of Financial Regulations and governance arrangements. As an evolving organisation, the Group will continue to review and develop its governance in order to best serve its beneficiaries.

#### **Annual review of governance and viability standards**

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

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

### **General Financial Responsibilities**

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

Company law requires the Trustee Board to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and the surplus or deficit of the Company and the Group for that period. In preparing these financial statements, the Trustees are required to:

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

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

The Trustees confirm that:

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

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

### **Annual General Meeting**

The annual general meeting will be held on 1 October 2020.

The Report of the Trustee Board was approved by the Trustees on 20<sup>th</sup> July 2020 and signed on their behalf by:



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Andrew Newell  
Chair & Trustee

## **OPERATING & FINANCIAL REVIEW AND STRATEGIC REPORT**

### **Introduction**

The report and financial accounts for the year ended 31 March 2020 sets out the activities and achievements of the Charity.

### **Principal Activity**

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

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

### **BUSINESS AND FINANCIAL REVIEW**

During the year, the Group has worked in a strategic manner, examples include:

- Increasing positive social impact through supported housing activities by increasing the number of vulnerable individuals provided with accommodation and support by 24% from 831 to 1,031 year on year.
- Recruited the Director of Business Development and Director of Corporate Services to bring the Executive Team to full strength.
- Recruited Head of Enterprise to enable a focused approach to the application of commercial principles to achieve charitable objectives.
- Critically assessed existing commercial arrangements across the housing division, excluding supported housing, and renegotiation to ensure maximum financial gain in order to further support the charitable objectives of the organisation.
- Creation of a specific marketing and communications function in order to improve and increase the charity's profile, paving the way for future growth and opportunity.
- The design and development of a full Insight / KPI system to provide a dashboard led visibility of operational performance in order to drive continuous improvement.
- Progression of the Peartree Hostel redevelopment project through to planning submission, including initial Homes England funding bid and extensive liaison with community, district and county level bodies.
- Extensive efforts to empower and motivate housing managers to take ownership of their operational performance, resulting in considerably improved levels of occupancy and rent realisation.
- Concentrated efforts to develop Charity / Provider of choice relationships with district and county authorities, resulting in the successful launch of a number of commissioned (emergency housing placement) schemes.
- Successful bidding and award of new commissioned housing and support work in specialist areas including transitional accommodation for 16-18-year olds leaving care.
- In response to the Covid-19 pandemic family services mobilised new ways of working, working from home, producing videos for Facebook, setting up a You Tube channel, online training courses and a platform to host them from. Commissioners were very impressed by the achievements.

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

### Financial review

The Group returned an operating surplus on the Group's activities of £339,968 (2019: £237,966).

A surplus of £296,689 (2019: £902,531) was recorded for the Group after taking into account unrealised investment losses of £67,333 during the year. Total comprehensive income for the year was £305,689 (2019: £895,531 after taking into account a £528,500 gain on purchase of the High Wycombe housing asset at fair value).

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

- Increased social housing occupancy in 2019/20 compared to 2018/19
- A reduction in gym memberships in the second half of 2019/20
- An increased investment in youth activities with a continued downturn in funding
- Recognising the deterioration in investment assets at the end of 2019/20
- The full year effect of the Family Centre East Quadrant contract which began in October 2018
- A fair value gain of £528,500 which was realised in 2018/19 relating to the purchase of the hostel in High Wycombe.

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

During the 2019/20 financial year, the Trustee Board has focused the Executive on delivering performance improvement and the expansion of services.

- Increased income as a result of focused efforts to increase occupancy within the supported housing division, with overall occupancy at +2.4% on previous year.
- Increased income and surplus gains as a direct result of the renegotiation of commercial housing activities.
- Noted decrease in gym membership across both sites, although financially offset through close management of costs.
- Noted underachievement of targeted recovery at Woodland HUB following repurposing from gym use in previous year, with necessary recovery re-forecasting completed.
- Towards the end of the financial year Trustees worked with the Executive to mitigate and manage the impact of the coronavirus pandemic on the Company's operations.

On an ongoing basis, the Trustee Board is committed to achieving a surplus operating budget. With regard to the 2020/21 financial year, a surplus budget has been set.

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

### Housing metrics

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

Metric	Definition	2020	2019
<b>Business Health</b>			
Operating Margin - Social Housing (non-support)	Operating surplus or (deficit) from social housing lettings / turnover from social housing lettings	6%	5%
Operating Margin - Overall	Operating surplus of deficit overall / turnover overall	2%	2%
EBITDA MRI interest cover	Earnings before interest, tax, depreciation, amortisation, major repairs included Interest cover %	918%	884%
<b>Development</b>			
New supply as a % of current units		0%	0%

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<b>Metric</b>	<b>Definition</b>	<b>2020</b>	<b>2019</b>
Gearing*	Short term loans + long term loans - cash and cash equivalents + finance lease obligations / Tangible fixed assets: Housing properties at cost (current period)	-10%	-5%
<b>Outcomes</b>			
Reinvestment %	Development of new properties (housing) + newly built properties acquired + works to existing housing properties + capitalised interest on housing properties + schemes completed / Tangible fixed assets housing at cost	2%	1%
<b>Effective Asset Management</b>			
ROCE	Operating surplus or (deficit) overall / total assets less current liabilities	2%	1%
<b>Cost per unit</b>			
Headline social housing cost		£8,977	£7,809

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

In the event that the Peartree Redevelopment Programme is successful, then additional borrowing will affect the interest cover and gearing ratios.

**Value for money**

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

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

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

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

The Group's value for money strategy is to:

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

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

- Increase longer term social benefits through the expansion of homelessness prevention pathway, such as with the addition of move-on accommodation units,
- Increase the value and effectiveness of the social housing services provided,
- Consistently deliver the funding framework to ensure that viable social housing and non-social housing activities are undertaken,

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- Work in partnership with other housing providers to develop funding models, secure efficiencies and/or take on additional supported housing units under management agreements,
- Use volunteers to broaden the range of services available,
- In consultation with residents, improve housing services to meet their needs.

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

Initiative	Status, saving or gain	Comments	
<b>Social housing</b>			
Deliver the budget for social housing	£364k operating surplus (All Housing)	A 5.5% (2019: 3.6%) housing return was achieved. This increase was largely as a result of: a) Improved occupancy and reduced levels of bad debt losses, b) Improved commercial housing income levels and associated surplus.	
	£340k operating surplus (Group)	A 2.4% return (2019: 1.9%) after taking into account: a) Expenditure incurred in relation to the Peartree site redevelopment plans.	
	£275k Total surplus (Group)	A 2.1% (2019:7.4%) return after taking into account investment movements.	
Deliver good occupancy performance to maximise income and service delivery to beneficiaries	Steady	Watford 2014/15 – 93.0% 2015/16 – 96.4% 2016/17 – 94.5% 2017/18 – 91.9% 2018/19 – 91.0% 2019/20 – 94.4%  High Wycombe 2016/17 – 93.8% 2017/18 – 96.8% 2018/19 – 91.1% 2019/20 – 94.6%	Welwyn Garden City 2014/15 – 96.5% 2015/16 – 96.8% 2016/17 – 94.5% 2017/18 – 93.5% 2018/19 – 94% 2019/20 – 96.2%  Bishop’s Stortford 2017/18 – 100% 2018/19 – 93.9% 2019/20 – 97.9%
		Occupancy performance improved across all schemes during 2019/20 to meet target levels.	
Manage the impact of welfare reform on bad debt (% of housing income not received)	Steady	Watford 2014/15 – 6.5% 2015/16 – 5.0% 2016/17 – 5.6% 2017/18 – 5.9% 2018/19 – 5.1% 2019/20 - 2.8%  High Wycombe 2016/17 – 3.8% 2017/18 – 4.1% 2018/19 – 2.8% 2019/20 - 1.5%	Welwyn Garden City 2014/15 – 3.8% 2015/16 – 4.9% 2016/17 – 3.6% 2017/18 – 3.4% 2018/19 – 3.2% 2019/20 - 7.9%  Bishop’s Stortford 2017/18 – 8% 2018/19 – 6.2% 2019/20 - (0.5%)
		All schemes improved rent collection totals vs last year. Good rent collection is essential to overcome Universal Credit challenges.	

Initiative	Status, saving or gain	Comments
Complete the harmonisation of housing operating procedures across all Hostels	Work in progress	A periodic review of working practices is continuing to ensure that best practice is consistent across the Group's housing operations. It will be periodically tested through the BDO internal audit programme.
Undertake supplier reviews in order to reduce the number of suppliers and/or cost	Ongoing and cost savings are being achieved	Ongoing process with specific focus on the asset, development and maintenance elements of the overall service, to seek further efficiency, quality and cost saving gains, which will continue into the coming year.
Use of the Pyramid housing repairs system to track work flow and target job completion	Rebasing programme underway	Recruitment of a specific Head of Service to analyse, assess, mobilise and accelerate the overall operational development and improvement process for the maintenance function, including the use of Pyramid.
Secure new work to increase the units under management and spread overhead costs	Overhead efficiency	Ongoing successes in relationship building with district and county authorities, other registered providers and charity / third sector organisations to enable the commissioning of additional services and new work, with specific focus on identifying and meeting unfulfilled need in the community.
Recruit a new Director of Operations to lead the Housing and Enterprise services	Complete	Successful first year performance with managers taking lead on the introduction of a number of new approaches, cultural shift towards the use of commercial principles to drive and achieve charitable objectives, and the development and embedding of an insight and KPI led approach to managing and improving performance.
Financial modelling and stress testing	Ongoing	Extensive financial modelling and stress testing has been undertaken to facilitate the Peartree Redevelopment Programme through the options appraisal and subsequent service delivery. The Group's financial plans and reports were formally assessed by the Bank in conjunction with the re-mortgaging exercise to fund the High Wycombe property acquisition. These models continue to be reviewed due to the uncertainties of the impact of the coronavirus pandemic with full scenario planning and stress testing taking place on a regular basis.
<b>Non-social housing</b>		
Generate a surplus on Abbots Langley nursery operations and contribute an overhead	£90k surplus £142k overhead	The nursery is rated as Ofsted 'Outstanding' which is an excellent indicator of high standards and good quality service provision.  The surplus declined to £90k (2019: £120k) due to: a) Room upgrades, b) Increased overhead re-allocations of £40k as a result of changes at the Abbots Langley site.  Overall occupancy ran at 76.6% (2019: 79.3%).
Effective delivery of the Hertfordshire and Central Bedfordshire Children's Centre contracts	On track	The contracts are operating well, delivering good services to beneficiaries and performing to budget.  The Central Bedfordshire contract ceased on 31 <sup>st</sup> August 2019.
Deliver value for money at the Orbital Community Centre	Work in progress	Booking hours for the year was 10,035 (2019: 11,203). This enabled the delivery of 2,352 (2019: 2,543) subsidised hours of use for community groups who need additional support.



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Initiative	Status, saving or gain	Comments
Performance improvement of Watford Gym	£12k surplus	Hall and room hire income has performed well and a surplus was achieved slightly in excess of expectations.
Performance improvement of St Albans Gym	£1k surplus	The £1k surplus (2019: £12k surplus) was a reduction on the 2018/19 level due to the drop in membership levels during the year and the closure of the gym at the end of March 2020 as a result of the coronavirus pandemic.
Performance improvement of Abbots Langley Hub	£(98)k deficit	The £(98)k deficit (2019: £(140)k deficit) is due to a slower than expected take up of hall hire. The situation improved during the year with a number of groups hiring space on a regular basis and the subletting to a gymnastics club operator. The Abbots Langley gym was closed in 2019/20 as there was no reasonable prospect of improvement.
Multi Use Games Area	Improvement required	The initial hire fees from the MUGA facility have not achieved the budget aspiration set at the investment appraisal stage. This activity should develop and make a positive contribution to service provision and overall funding in future years.
Achieve £105k of fundraised income for youth work	£50k achieved	£50k (2019: £80k) was secured to support youth work for young beneficiaries. It was disappointing that income fell. In order to address this, a new Director of Business Development has been recruited and an investment in additional fundraising staff will be made in 2020/21. The objective will be to bring in new money that is so greatly needed to help fund the work with young people.
<b>Early Childhood Partnership</b>		
Deliver the budget for the Bedford Borough area	£61k surplus	The budget maximised the deployment of financial resources for beneficiaries.
Deliver the Children's Centre contract to the required performance levels	Successfully delivering the contract	The children's centre contract is underpinned by a series of key performance indicators (KPI) sitting within four performance areas. These KPIs are regularly monitored by the Trustee Board, Advisory Board, Council and managers. The team members are clear about which KPIs their activities contribute to, and they understand the links between the KPIs and achieving good outcomes for our children and families. In 2019/20 the Charity achieved two out of three incentivisation KPI targets. These targets covered the number of children seen at the children's centres, target groups engaging in children's centres services, parents reporting increased confidence in age appropriate child development and parents making positive progress in the education and learning area of the family star for targeted intervention. This allowed us to increase staff time to enable us to support more vulnerable families.
Achieve the contract key performance indicator requirements to the satisfaction of the commissioner	Successfully delivering the contract	Monitoring meetings with the local authority take place three times a year. These meetings form part of the annual review. Following our end of year Contract Monitoring visit, our commissioners wrote to us saying "I have been so impressed with the resilience that you have all shown through this challenging period. The creative skills that you have used to enable families to access services via technology have been superb and I have enjoyed watching some of you tell stories and lead singing sessions." The local authority highlighted priority action areas, including the production of a performance report that could be shared with local councillors.
	Continuously planning for future improvements	There is clarity around the priority areas for development in the coming year. The Charity will be looking to compare its performance, particularly in relation to registration and seen figures, with a particular emphasis on targeted groups. The areas for development reflect feedback from the local authority arising from the monitoring meetings and form the basis of the annual service development plan. This plan is considered by the management team and updated monthly.

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Initiative	Status, saving or gain	Comments
Operate the new Advisory Board arrangements as required by regulatory standards	Embracing accountability	The Advisory Board is well established under the chairmanship of Robert Thompson, Trustee. This involves: Main Advisory Board, Three sub-groups relating to areas of specialism, A report on each of these priorities is taken three times a year to the monitoring meetings with Bedford Borough Council. The advisory board forms part of the reporting cycle; it is a forum where partners from health, the third sector and the local authority can have their input into children's centre performance. Partners are also able to use the opportunity to feedback on developments within their own service.
<b>Governance and support services</b>		
Develop ICT accreditation for information security	External accreditation	The Cyber Essentials accreditation remains in place for information security purposes.
Implement the ICT Strategy	In place	The work programme tracker which was used in 2019 showed that most of the activities had been completed. Key system achievements included the implementation of iPos which automates requisition and invoice approval and Ultimate Manager for managing health and safety processes. Areas which were not completed included the upgrade to Cyber Essentials plus and resolving Moorepay issues. The ICT Strategy was due to be refreshed in February 2020 which was put on hold pending the recruitment of a Head of ICT and Digital who started in May 2020. One YMCA's future needs and the impact of Coronavirus has weighted the ICT "strategy" towards more flexible and home working. A programme of work to support this will be finalised in 2020.
Assess whether shared YMCA platforms provide good opportunities	Closed	This initiative was closed to concentrate the limited resources on One YMCA priorities.
Undertake a risk management internal audit	Complete	A risk management internal audit was undertaken by BDO in 2019 and a moderate assurance rating was achieved. The principal areas for development are: a) Strategic risk appetite – this is being advanced with the Board as set out elsewhere in this report, b) Operational risk training and registers – this is an ongoing piece of work.
Scrutinise electronic payments via internal audit	Complete	A full review of expenditure was undertaken by BDO using data analysis methods to ensure that probity and good order. This reviewed activity using data analytics. A positive assurance rating was obtained in 2020
Undertake a payroll internal audit	Complete	A payroll audit was undertaken by BDO in 2020 which achieved a substantial assurance rating.
Undertake benchmarking on financial matters	Comparing performance	The Parent Charity participated in the Charity Finance Group's Finance Count benchmarking initiative in 2020. This is now a two-yearly exercise.
	Performing well	On a Group basis, the following results were returned from the benchmarking exercise a) Staff costs per purchase invoice received £6.48 (compared to the average of £6.44), b) Average invoices per FTE of 5,552 (compared to the average of 4,231), c) Percentage of payments made by BACS or DD of 100% (compared to the average of 99.9%), d) Finance employees (FTE) as a percentage of total employees (FTE) – 2.3% (compared to the average of 4.2%), e) Number of months between year-end and reporting of 16 weeks (compared to the average of 20 weeks).

Initiative	Status, saving or gain	Comments
	Complete	Electronic ordering, commitments and invoicing system went live in December 2019 and has automated a number of manual processes.
	Comparing performance	The Group participated in the Agenda Consulting People Count benchmarking initiative, which suggests that we are broadly comparable on management ratios and approaches to pay as other charities of a similar size or operating in similar sectors. 2019 was also the year for our re-accreditation with Investors in People. This confirmed developments in a number of areas, including morale and trust between colleagues in junior roles and senior management. This improvement was confirmed in an accreditation level of Silver, with our assessor commenting that our trajectory on IIP measurement areas is strongly positive in many areas.
	Equal pay compliance	The Group's job evaluation process is settled and delivers full compliance with equal pay requirements. We continue to ensure that the Living Wage Foundation hourly rate is the minimum level of remuneration. The Board considered gender pay gap compliance and this is detailed in the Trustee's Report.

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

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

In conjunction with the Group's strategic objectives, the 2019/20 value for money approach will provide the foundation for continuous improvement and efficiency developments.

### External Influences

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

### Objectives and Strategy

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

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

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- To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances.

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

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

### Achievements and performance

In relation to the following strategic objectives, the Group has made a positive impact upon many lives during the year, engaging 95,700 people.

#### Accommodation

- Directly tackling homelessness across Hertfordshire and Buckinghamshire, supporting 1,031 individuals into safe and secure accommodation.
- Providing over 148,043 nights of safe and secure accommodation to those most in need.
- Offering a total of 483 bed spaces across its sites.
- Launching two distinct Emergency Provision commissioned services of homelessness accommodation in partnership with two district authorities.
- Delivering 565 housing related support sessions, 860 key work sessions and 99 complex needs sessions.
- Achieving great long-term success with a total of 235 previously homeless individuals to progress and move-on into their own long term settled accommodation.
- Delivering lifesaving emergency homelessness services in partnership with a local rough sleeper focused charity, through the provision of a Winter Night Shelter (SWEP) for a total of 111 individuals.
- Adding value to our housing services through the provision of 3,289.5 hours of additional volunteering support in conjunction with our Chaplaincy Team.
- Helping address future homelessness through the delivery of housing advice and information service for 16-25-year olds in partnership with Herts Young Homeless.

#### Health and wellbeing

- Helped over 5,511 local people, of all ages and all backgrounds to improve and develop their personal health and wellbeing.
- Delivered a total of 4,254 different, varied and enjoyable health and wellbeing sessions to meet the needs of our local communities.
- Engaged and supported 3,134 children and young people to enjoy and participate in activities that boosted their opportunities to be healthy and well.
- Provided specialist activities to help 1,084 physically and mentally disabled individuals to participate in health and wellbeing activities every week.
- Supported local community groups to deliver targeted fitness activities, such as Francis Coombes School Disengaged GCSE Students, Martial Arts, Ballet and Dance, Exercise to older adults, Parkinson Groups, NHS Clinics, Football Teams, Girl Football Teams, Disabled Sessions

#### Family work

##### Nursery

- Supported 140 young children to explore, learn and develop.
- Operated at a level of quality and service enabling us to maintain our OFSTED Outstanding rating.
- Supported 23 young people from local colleges and educational settings to vocationally develop in their chosen career.

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#### Central Bedfordshire Children's Centres

- Our Central Bedfordshire Children's Centres contract ended on 31 August 2019 after four and half very successful years. We wish them well for the future.

#### Hertfordshire Family Centres – East Quadrant

- We have now registered 9117 children under the age of five years since October 2018, which is an incredible number which has only been possible through sheer determination by the whole team. This equates to 41% of the total number of under-five's in the East Quadrant.
- With the Family Support Workers being based in clinics and local hospitals alongside their Hertfordshire Community Trust colleagues, we have seen significant advances in working relationships which have been benefiting the families they both work with. Our Family Matters Meetings take place regularly with conversations to ensure that both teams know who is supporting each family, what that involves and any arising issues.
- Our contract monitoring meetings with our Commissioners have been very positive with much encouraging feedback. The three day meetings include observations of sessions, joint reviews with our health colleagues as well as showcasing the highlights of our 90-page workbook detailing all the excellent work taken place each quarter.
- The District Partnership events and Advisory Board meetings are generally well attended and provide excellent local information which we use to ensure we enhance our services.
- We have recently introduced Emerging Needs packages of support to enable our Early Start Workers to provide much needed early intervention to families.
- During March 2020, with the Covid-19 pandemic we mobilised to a very new way of working extremely quickly. Staff moved to working from home, produced videos for Facebook, set up our own You Tube channel, online training courses and a platform to host them from. Our Commissioners were very impressed with all that we achieved as our staff went the extra mile to ensure that our service remained at the top of our game.

#### Youth

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

#### Community Hubs

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

Individual services operate differently because of the various regulatory and monitoring frameworks that are in place to accord to standards set by the Regulator of Social Housing, Charity Commission and Ofsted. Key performance indicators tend to be set within contracts agreed with commissioners such as County/unitary

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Councils (Housing Related Support, Family Support Centres, and Children's Centres), Local Councils and other funders (Trusts & Foundations etc.). Performance against these is monitored on a regular basis.

#### **Accreditations**

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

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

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

#### **Strategic developments on new activities**

- Increased focus on the ongoing progression of the Peartree Redevelopment Project has now seen this move into a planning submission and funding discussion stage and the commencement of procurement phases.
- Housing division was successful in the securing of new commissioned housing support work for specialist areas, including the provision of a transitional accommodation for 16-18-year olds leaving care.
- The launch of a shared housing move-on accommodation platform has enabled the housing division to expand its internal homelessness prevention pathway, which will greatly increase our ability to deliver further long-term social value.
- Ongoing efforts to work more closely with district and county level authorities has produced opportunities to partner on specific projects, such as the launch of two commissioned Emergency Placement accommodation schemes.
- The initial design and development of an Insight / KPI Dashboard System has aided greatly in the gains achieved in operational and financial performance, which will be continued to be developed and rolled out organisationally wide.
- An overall appreciation of the need to raise the organisations profile, in order to support wider objectives and future growth has led to the creation of a central marketing and communications function.

#### **Looking to the future**

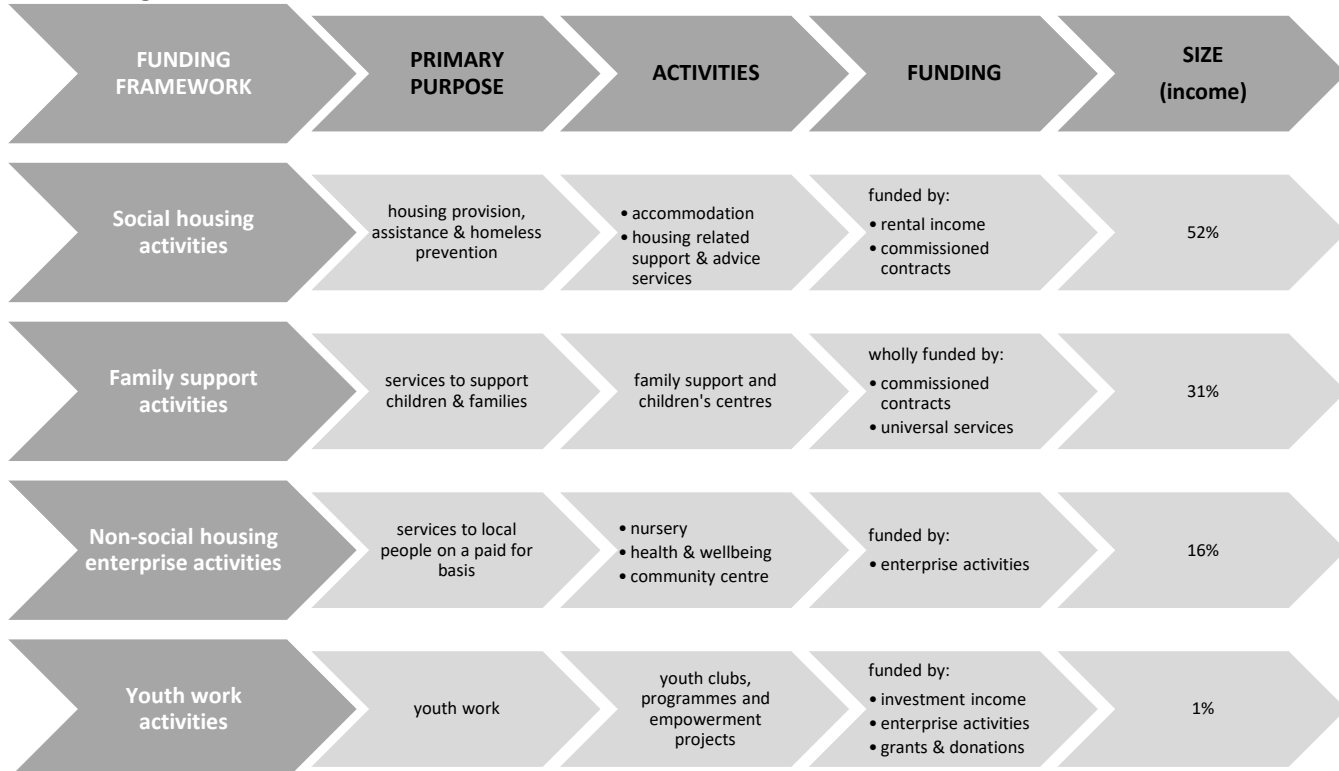
The Group is committed to developing a strong and vibrant organisation in order to serve its residents, beneficiaries and the local community. In doing so, it will:

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

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

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

**The funding framework**



With regard to the funding framework:

- The model for social housing activities is established and operates well;
- The model for family support activities is wholly funded and is backed by commissioned contract income.
- The model for non-social housing enterprise activities is developing and contributes to youth work funding. Investment income receipts and Abbots Langley Nursery are performing very well.
- During the year, the budget gym activities at St Albans materially improved which was very welcome.

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

**Future of social housing**

In December 2016, the Group adopted a new Housing Strategy 2016-21 so that it ensured that there was a clear trajectory in place to face the future. The Strategy has four themes which are:

- Invest in the growth and impact of our people,
- Develop the way we work,
- Work with others to change things for the better,

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- Use our asset effectively.

Good progress has been made against the Work Programme which has been refreshed along the way.

The Group has invested time in the Peartree Redevelopment Programme and commissioned GL Hearn to undertake an options appraisal which reported in December 2018. This indicated that there was a positive case for redevelopment at the Welwyn Garden City site. A Peartree Working Group was formed as a task and finish forum of trustees and senior staff to take the programme forward. This has resulted in professional advice being taken and the planning application process commencing. This will be a major stream of work for the 2020/21 year.

Good progress has been made with the funding of social housing which was largely shaped by the National YMCA campaign to lobby and liaise with government departments. This was spearheaded by YMCA England & Wales and was an excellent piece of collaboration. As a result, the rent setting policy agenda has become more stable. The Group has successfully achieved re-commissioning of some Housing Related Support services as well as extensions to other contracts. This is very welcome.

The implementation of Universal Credit has presented national challenges particularly with regard to rent collection. This will be closely monitored to ensure that all possible income is collected.

The Group is committed to maximising service delivery particularly with high occupancy. An improvement was seen in 2019/20 with the level of void losses reducing. The Group looks forward to improvements as this will release further value for money resources.

#### **Residents' involvement**

The Group actively encourages Residents' involvement in decision making by holding Residents' Committee / Focus Meetings that are regularly attended by a senior member of staff with day to day support being provided through the Chaplaincy and support programmes. These meetings are venues for reviewing service improvements, matters impacting upon social housing and monitoring the services delivered. The feedback of former Residents allows us to gain insights into their experience of staying with us, coupled with liaison with current Residents which assists in shaping ideas and suggestions to positively enhance and improve the experience for Residents staying at the YMCA. An exit interview is held with vacating Residents where they are encouraged to give feedback on their stay.

As a provider of single homeless housing related support services, the Group actively engages with Residents on a very regular basis through the support planning and engagement process. This extends into move on sustainment and Chaplaincy support.

The Chaplaincy Team has been very successful in attracting new volunteers to assist with value adding Housing activities. The Trustee Board place on record its gratitude to all those who assist the YMCA in a voluntary capacity and live out their Christian mission by helping other people.

#### **Risks and uncertainties**

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

- The impact of Covid19,
- Loss of income and/or contracts,
- Safeguarding / service user reputational incident,
- Property compliance,
- Information security,



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- Executive capacity,
- Fraud and theft.

From the last quarter of 2019/20 to date risk management has been primarily focused on managing and in some cases mitigating the impact of the Coronavirus pandemic (Covid19) on the safety of our residents, service users and staff along with the resilience of the Charity as some of our services such as gyms and group activities were closed. Trustees and the Executive Team also set out to explore ways in which our assets and resources would be used to support more vulnerable people such as the homeless and childcare for key workers through this difficult period. The Executive Team and Trustees put in place an action plan to address these areas and has worked with the Senior Management Team to successfully deliver the plan.

The principal financial risk relates to loss of income and/or contracts. Whilst the Audit & Risk Committee reviews controls and standards, the Resources Committee proactively monitors and challenges the financial and service performance of the Group.

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

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

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

On an annual basis, the Group reviews its key policies and controls frameworks. These included the financial regulations as well as the Code of Governance, committee terms of reference, code of conduct, safeguarding, fraud, whistleblowing, health & safety, equal opportunities and risk management policies. The next review is scheduled for November 2020.

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

#### **Borrowings**

At year end, the Group had long term borrowings of £1,602,660 (2019: £1,667,088) which are secured against income generating assets: the supported housing hostels. In approving the Operating and Financial Review, the Trustees are also approving the Strategic Report in their capacity as directors of the Group.

The Operating and Financial Review and the Strategic Report were approved by the Trustee Board on 20 July 2020 and signed on their behalf by:



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Andrew Newell  
Chair and Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONE YMCA**

**Opinion**

We have audited the financial statements of One YMCA for the year-ended 31 March 2020 which comprise the consolidated and company statements of comprehensive income, the consolidated and company statements of changes in reserves, the consolidated and company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from January 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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.

**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:

## ONE YMCA

### Report and financial statements for the year ended 31 March 2020

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

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board, the operating and financial review and the strategic report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

- the information given in the Report of the Board, the operating and financial review and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report contained within the Report of the Board and the strategic report have been prepared in accordance with applicable legal requirements.

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

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

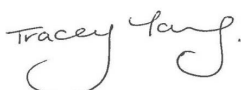
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### Use of our report

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

Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP  
Statutory Auditors  
11/09/2020



10 Queen Street Place  
London  
EC4R 1AG

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

	Notes	2020 £	2019 £
Turnover	3	12,898,341	12,242,535
Operating expenditure	3	<u>(12,558,373)</u>	<u>(12,004,569)</u>
<b>Operating Surplus</b>	4	<b>339,968</b>	<b>237,966</b>
Gain on disposal of property, plant and equipment	5	1,426	(4,071)
Interest receivable and other income	6	97,154	76,145
Interest and financing costs	7	(74,527)	(68,488)
Movement in fair value of financial instruments	13	(67,333)	132,479
Gain on purchase of asset at fair value		-	528,500
<b>Surplus for the year</b>		<b>296,689</b>	<b>902,531</b>
Actuarial gains / (losses) relating to Pension Fund	18	9,000	(7,000)
<b>Total comprehensive income for the year</b>		<b><u>305,689</u></b>	<b><u>895,531</u></b>

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

	Notes	2020 £	2019 £
Turnover	3	11,859,078	11,230,095
Operating expenditure	3	<u>(11,580,205)</u>	<u>(10,996,401)</u>
<b>Operating Surplus</b>	4	<b>278,873</b>	<b>233,694</b>
Gain on disposal of property, plant and equipment	5	1,426	(4,071)
Interest receivable and other income	6	97,154	76,145
Interest and financing costs	7	(74,527)	(68,488)
Movement in fair value of financial instruments	13	(67,333)	132,479
Gain on purchase of asset at fair value		-	528,500
<b>Surplus for the year</b>		<b>235,594</b>	<b>898,259</b>
Actuarial gains / (losses) relating to Pension Fund	18	9,000	(7,000)
<b>Total comprehensive income for the year</b>		<b><u>244,594</u></b>	<b><u>891,259</u></b>

The accompanying notes form part of these financial statements.

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

<b>GROUP</b>	<b>Income &amp; expenditure reserve</b>	<b>Restricted reserve</b>	<b>Property revaluation reserve</b>	<b>Total</b>
	£	£	£	£
<b>Balance at 1 April 2019</b>	<b>8,732,007</b>	-	<b>5,513,037</b>	<b>14,245,044</b>
Surplus from income and expenditure account	287,533	18,156	-	<b>305,689</b>
Transfer from revaluation reserve to income and expenditure reserve	65,609	-	(65,609)	-
<b>Balance at 31 March 2020</b>	<b>9,085,149</b>	<b>18,156</b>	<b>5,447,428</b>	<b>14,550,733</b>

<b>COMPANY</b>	<b>Income &amp; expenditure reserve</b>	<b>Restricted reserve</b>	<b>Property revaluation reserve</b>	<b>Total</b>
	£	£	£	£
<b>Balance at 1 April 2019</b>	<b>8,712,793</b>	-	<b>5,513,037</b>	<b>14,225,830</b>
Surplus from income and expenditure account	244,594	-	-	244,594
Transfer from revaluation reserve to income and expenditure reserve	65,609	-	(65,609)	-
<b>Balance at 31 March 2020</b>	<b>9,022,996</b>	-	<b>5,447,428</b>	<b>14,470,424</b>

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

**ONE YMCA**  
**Report and financial statements for the year ended 31 March 2020**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

Registered company 4430743

	Notes	2020 £	Group 2019 £	2020 £	Company 2019 £
<b>Fixed assets</b>					
Tangible fixed assets	11,12	13,746,933	13,749,179	13,746,933	13,749,179
Investments	13	2,485,014	2,552,346	2,485,014	2,552,346
		<u>16,231,947</u>	<u>16,301,525</u>	<u>16,231,947</u>	<u>16,301,525</u>
<b>Current assets</b>					
Trade and other debtors	14	1,258,607	1,192,297	1,169,434	1,169,716
Cash and cash equivalents		<u>2,710,095</u>	<u>2,245,643</u>	<u>2,430,370</u>	<u>2,077,371</u>
		3,968,702	3,437,940	3,599,804	3,247,087
<b>Creditors: falling due within one year</b>	15	2,983,178	2,687,678	2,766,589	2,563,039
<b>Net current assets</b>		<u>985,524</u>	<u>750,262</u>	<u>833,215</u>	<u>684,048</u>
Creditors: falling due after more than one year	16	1,800,180	1,869,557	1,800,180	1,869,557
Pension funds	18	794,558	890,186	794,558	890,186
Provision for liabilities and charges	17	72,000	47,000	-	-
<b>Total net assets</b>		<u><b>14,550,733</b></u>	<u><b>14,245,044</b></u>	<u><b>14,470,424</b></u>	<u><b>14,225,830</b></u>
<b>Capital and reserves</b>					
Housing property revaluation reserve		5,447,428	5,513,037	5,447,428	5,513,037
Revenue reserve		9,085,149	8,732,007	9,022,996	8,712,793
Restricted reserve	21	18,156	-	-	-
<b>Total reserves</b>		<u><b>14,550,733</b></u>	<u><b>14,245,044</b></u>	<u><b>14,470,424</b></u>	<u><b>14,225,830</b></u>

The accompanying notes form part of these financial statements.

The accounts were approved by the Trustee Board on 20 July 2020 and were signed on its behalf by:

Andrew Newell  Chair and Trustee

Nicholas Mourant  Treasurer and Trustee

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
<b>Net cash generated from operating activities</b>		
Surplus for the financial year	296,689	902,531
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	500,949	428,498
(Increase) in trade and other receivables	(66,310)	(178,435)
Increase in trade and other creditors	318,809	1,079,006
Gain on fixed asset disposals	(1,426)	4,071
Movement in fair value of financial instruments	67,333	(132,479)
Pension costs less contributions payable	(89,884)	(66,793)
Interest paid	45,653	37,164
Interest received	(97,154)	(76,145)
<b>Cash generated from operating activities</b>	<b>974,659</b>	<b>1,997,418</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(498,705)	(2,983,223)
Proceeds from the sale of tangible fixed assets	1,426	2,907
Sale of investments	0	788,209
Purchase of investments	0	(788,209)
Interest received	97,154	76,145
<b>Net cash from investing activities</b>	<b>(400,125)</b>	<b>(2,904,171)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(45,653)	(37,164)
Mortgage redemption	0	(349,107)
Mortgage addition	0	1,664,500
Repayments of borrowings	(64,429)	(48,874)
<b>Net cash used in financing activities</b>	<b>(110,082)</b>	<b>1,229,355</b>
<b>Net increase in cash and cash equivalents</b>	<b>464,452</b>	<b>322,602</b>
Cash and cash equivalents at beginning of year	2,245,643	1,923,041
<b>Cash and cash equivalents at end of year</b>	<b>2,710,095</b>	<b>2,245,643</b>
<b>Cash and cash equivalents at 31 March</b>		
Cash	2,710,095	2,245,643
	<b>2,710,095</b>	<b>2,245,643</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

**1. Status**

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

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

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

**2. Principal accounting policies**

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

In the view of the trustees in applying the accounting policies adopted, the two areas of judgement relate to the provision for dilapidations as disclosed in 2(q) and the amount of notional grant to be recognised on the purchase of an asset at fair value. No other judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year. No complex financial instruments are held.

**(a) Basis of accounting**

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

**(b) Basis of consolidation**

The Group financial statements consolidate those of the Company and its subsidiary undertaking of Early Childhood Partnership, drawn up to 31 March 2020. Profits or losses on intra-group transactions are eliminated in full in accordance with FRS 102.

**(c) Going concern**

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Trustees' Report. On this basis, the Trustee Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

**(d) Turnover**

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



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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

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

**(e) Expenditure**

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

**(f) Debtors and creditors**

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

**(g) Housing properties**

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

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

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

**(h) Housing properties and depreciation**

The Company separately identifies the major components that comprise its housing properties, and charges depreciation, so as to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

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

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

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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

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

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

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

**(j) Operating leases**

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

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

**(k) Pensions****Hertfordshire County Council Pension Fund**

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

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

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

**YMCA Pension Plan**

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

As described in note 18 the Company has a contractual obligation to make pension deficit payments over the period to April 2027, accordingly this is shown as a liability in these accounts. In addition, the company is required to contribute £25k pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****Group Personal Pension Plan (defined contribution)**

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

**(l) Social Housing Grant**

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

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

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

**(m) Other Grants**

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

**(n) Investments**

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

**(o) Interest Free Loans**

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

**(p) Provisions for Liabilities**

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

**(q) Holiday pay accrual**

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

**(r) Fund Accounting**

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

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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

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

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****3. Group - Turnover, operating costs and operating surplus**

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

**Group - Turnover, operating costs and operating surplus**

2019	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,894,774	3,634,812	259,962
<b>Other social housing activities:</b>			
Housing related support	1,622,568	1,624,225	(1,657)
<b>Total – social housing activities</b>	<b>5,517,342</b>	<b>5,259,037</b>	<b>258,305</b>
Other non-social housing	535,609	550,561	(14,952)
Housing asset purchase costs & pension project	-	23,805	(23,805)
<b>Total housing activities</b>	<b>6,052,951</b>	<b>5,833,403</b>	<b>219,548</b>
<b>Non-social housing activities</b>			
Health & wellbeing – budget gyms	967,252	1,035,698	(68,446)
Health & wellbeing – community programmes	52,134	53,312	(1,178)
Child and family services	4,848,276	4,579,385	268,891
Youth	80,107	201,296	(121,189)
Community	191,226	170,058	21,168
Other grants taken to income	4,913	4,913	-
Other	45,676	126,504	(80,828)
	<b>6,189,584</b>	<b>6,171,166</b>	<b>18,418</b>
	<b>12,242,535</b>	<b>12,004,569</b>	<b>237,966</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****Company - Turnover, operating costs and operating surplus**

2020	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	4,452,233	4,112,050	340,183
<b>Other social housing activities:</b>			
Housing related support	1,674,752	1,652,510	22,242
<b>Total – social housing activities</b>	<b>6,126,985</b>	<b>5,764,560</b>	<b>362,425</b>
Other non-social housing	525,800	524,326	1,474
Housing asset purchase costs & pension project	-	-	-
<b>Total housing activities</b>	<b>6,652,785</b>	<b>6,288,886</b>	<b>363,899</b>
<b>Non-social housing activities</b>			
Health & wellbeing – budget gyms	642,776	629,806	12,970
Health & wellbeing – other	109,366	231,095	(121,729)
Child and family services	4,069,313	3,822,559	246,754
Youth	65,953	273,531	(207,578)
Community	179,025	181,785	(2,760)
Other grants taken to income	12,421	12,421	-
Other	127,439	140,122	(12,683)
	<b>5,206,293</b>	<b>5,291,319</b>	<b>(85,026)</b>
	<b>11,859,078</b>	<b>11,580,205</b>	<b>278,873</b>

**Company - Turnover, operating costs and operating surplus**

2019	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,894,774	3,634,812	259,962
<b>Other social housing activities:</b>			
Housing related support	1,622,568	1,624,225	(1,657)
<b>Total – social housing activities</b>	<b>5,517,342</b>	<b>5,259,037</b>	<b>258,305</b>
Other non-social housing	535,609	550,561	(14,952)
Housing asset purchase costs & pension project	-	23,805	(23,805)
<b>Total housing activities</b>	<b>6,052,951</b>	<b>5,833,403</b>	<b>219,548</b>
<b>Non-social housing activities</b>			
Health & wellbeing – budget gyms	967,252	1,035,698	(68,446)
Health & wellbeing – other	52,134	53,312	(1,178)
Child and family services	3,755,836	3,571,216	184,620
Youth & Community	80,107	201,296	(121,189)
Community	191,226	170,058	21,168
Government grants taken to income	-	-	-
Other grants taken to income	4,913	4,913	-
Other	125,676	126,505	(829)
	<b>5,177,144</b>	<b>5,162,998</b>	<b>14,146</b>
	<b>11,230,095</b>	<b>10,996,401</b>	<b>233,694</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****Turnover, operating costs and operating surplus (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Operating costs for social housing:</b>				
Management	1,966,334	1,497,796	1,966,334	1,497,796
Services	1,437,784	1,232,677	1,437,784	1,232,677
Routine maintenance	156,246	400,476	156,246	400,476
Planned maintenance	107,135	86,096	107,135	86,096
Rent losses from bad debts	141,006	132,252	141,006	132,252
Depreciation of housing properties and equipment	303,545	285,515	303,545	285,515
	<b>4,112,050</b>	<b>3,634,812</b>	<b>4,112,050</b>	<b>3,634,812</b>
Void losses: notional calculation of income lost from vacant rooms	348,518	475,698	348,518	475,698
Number of registered accommodation units <i>(Included within the above are 304 Supported Bed Spaces and 126 managed units)</i>	483	483	483	483

**4 Operating surplus**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>The operating surplus is arrived at after charging:</b>				
Depreciation	500,949	428,498	500,949	428,498
Operating lease payments:				
- Land and buildings	116,930	112,327	116,930	112,327
Auditors' remuneration (excluding VAT)				
- Fees payable for the audit of the financial statements	22,500	21,350	20,000	18,350

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

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Disposal proceeds	1,426	2,907	1,426	2,907
Carrying value of fixed assets	-	(6,978)	-	(6,978)
	<b>1,426</b>	<b>(4,071)</b>	<b>1,426</b>	<b>(4,071)</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****6. Interest receivable and other income**

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Interest receivable and similar income	11,182	5,100	11,182	5,100
Income from listed investments	85,972	71,045	85,972	71,045
	<u>97,154</u>	<u>76,145</u>	<u>97,154</u>	<u>76,145</u>

**7. Interest and financing costs**

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Defined benefit pension charge	28,874	31,324	28,874	31,324
Loan and bank overdrafts	45,653	37,164	45,653	37,164
	<u>74,527</u>	<u>68,488</u>	<u>74,527</u>	<u>68,488</u>

**8.**

Executive Directors	Basic salary	Pension contribs.	2020 Total	2019 Total
	£	£	£	£
<b>Chief Executive</b>				
Guy Foxell	104,757	8,379	113,136	106,428
<b>Director of Resources</b>				
David Martin (to Nov 2019)	67,190	4,254	71,444	83,461
<b>Director of Enterprise</b>				
Joanna Keay (to Nov 2018)	-	-	-	61,525
<b>Director of Family Support</b>				
Serreta Pritchard	61,628	4,254	65,882	53,884
<b>Director of Operations</b>				
Mark Turner (from Mar 2019)	84,463	2,895	87,358	5,980
<b>Director of Business Development</b>				
Michael Howe (from Jan 2020)	13,729	-	13,729	-
<b>Director of Corporate Service</b>				
Jonathan Kalemera (from Jan 2020)	12,325	-	12,325	-
	<b>344,092</b>	<b>19,782</b>	<b>363,874</b>	<b>311,278</b>

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

The full time equivalent number of staff who received emoluments:	2020	2019
	No	No
£60,001 to £70,000	2	2
£70,001 to £80,000	1	0
£80,001 to £90,000	1	1
£90,001 to £100,000	0	0
£100,001 to £110,000	1	1



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****9. Employee information**

Average monthly number of employees:	Group		Company	
	2020	2019	2020	2019
	No	No	No	No
Housing	120	96	120	96
Support Services	22	28	22	28
Sports, health & fitness	23	49	23	49
Child & family services	140	137	140	137
Youth & community	14	19	14	19
Orbital Community Centre	14	8	14	8
Early Childhood Partnership	27	24	-	-
<b>Total</b>	<b>360</b>	<b>361</b>	<b>333</b>	<b>337</b>

	2020	2019	2020	2019
	£	£	£	£
<b>Staff costs (for the above persons)</b>				
Wages and salaries	5,918,089	5,942,682	5,513,348	5,548,511
Social security costs	472,847	461,545	444,630	436,428
Other pension costs	312,899	333,257	297,429	321,246
<b>Total</b>	<b>6,703,835</b>	<b>6,737,484</b>	<b>6,255,407</b>	<b>6,306,185</b>

During the year, termination payments of £14,709 (2019: £384,682) were recognised as an expense as compensation for loss of office.

**10. Taxation**

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

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

	Freehold property	Housing long leasehold property	Housing property improv'ts	WIP	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2019	6,621,000	4,856,000	1,796,279	5,000	13,278,279
Additions	-	-	195,519	23,128	218,647
Transfer from WIP	-	-	28,128	(28,128)	-
At 31 March 2020	6,621,000	4,856,000	2,019,926	-	13,496,926
<b>Depreciation</b>					
At 1 April 2019	332,221	279,076	1,152,148	-	1,763,445
Providing during year	109,164	55,816	63,175	-	228,155
At 31 March 2020	441,385	334,892	1,215,323	-	1,991,600
<b>Net book value</b>					
At 31 March 2020	6,179,615	4,521,108	804,603	-	11,505,326
At 31 March 2019	6,288,779	4,576,924	644,131	5,000	11,514,834

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****12. Group and Company – Tangible fixed assets (non-housing)**

	Other property	Long leasehold property	Leasehold improv'm'ts	Fixtures, fittings & equipment	Vehicles	WIP	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2019	135,328	760,000	1,544,682	1,791,390	19,319	29,082	4,279,801
Additions	-	-	69,530	169,586	-	40,941	280,057
Transfer from WIP	-	-	4,763	62,059	-	(66,822)	-
Category transfer	-	-	(9,740)	9,740	-	-	-
Disposals	(5,934)	-	-	(57,050)	(13,162)	-	(76,146)
Cost at 31 March 2020	129,394	760,000	1,609,235	1,975,725	6,157	3,201	4,483,712
<b>Depreciation</b>							
At 1 April 2019	75,382	43,643	681,059	1,226,054	19,319	-	2,045,457
Providing during year	3,340	8,736	69,986	190,732	-	-	272,794
Released on disposal	(5,934)	-	-	(57,050)	(13,162)	-	(76,146)
At 31 March 2020	72,788	52,379	751,045	1,359,736	6,157	-	2,242,105
<b>Net book value</b>							
At 31 March 2020	56,606	707,621	858,190	615,989	-	3,201	2,241,607
At 31 March 2019	59,946	716,357	863,624	565,336	-	29,082	2,234,345

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****13. Investments**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fair value</b>				
As at 1 April 2019				
Listed on a recognised stock exchange	2,552,347	2,419,868	2,552,347	2,419,868
Additions	-	788,209	-	788,209
Disposals	-	(788,209)	-	(788,209)
Realised gains on disposals	-	248,893	-	248,893
Unrealised (losses) / gains on valuation	(67,333)	(116,414)	(67,333)	(116,414)
As at 31 March 2020	<u>2,485,014</u>	<u>2,552,346</u>	<u>2,485,014</u>	<u>2,552,346</u>
<b>Non-listed investments held at historical cost</b>				
As at 1 April 2019	-	-	-	10,000
Disposals	-	-	-	(10,000)
As at 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total investments as at 31 March</b>	<u>2,485,014</u>	<u>2,552,346</u>	<u>2,485,014</u>	<u>2,552,346</u>

An investment in 1 £1 ordinary share in YMCA Platforms Ltd was made in September 2019. The £1 is unpaid and the company is dormant.

An investment in 10,000 £1 ordinary shares in One YMCA Retail Ltd, incorporated in England, a wholly owned subsidiary, which was a trading company selling donated goods. The Company was dissolved in 2019 and the investment was written off.

**14. Debtors**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent arrears (including housing benefit, and resident arrears)	427,516	256,457	427,516	256,457
Less provision for doubtful debt	(280,890)	(139,765)	(280,890)	(139,765)
	<u>146,626</u>	<u>116,692</u>	<u>146,626</u>	<u>116,692</u>
Students (Steiner college)	74,880	48,834	74,880	48,834
	<u>221,506</u>	<u>165,526</u>	<u>221,506</u>	<u>165,526</u>
Trade debtors	915,487	877,292	823,628	874,006
Less provision for doubtful debt	(2,349)	(56)	(2,349)	(56)
	<u>913,138</u>	<u>877,236</u>	<u>821,279</u>	<u>873,950</u>
Other debtors	3,900	4,400	3,900	4,400
Prepayments and accrued income	120,063	145,135	120,063	124,354
Amounts due from subsidiary	-	-	2,686	1,486
	<u>1,258,607</u>	<u>1,192,297</u>	<u>1,169,434</u>	<u>1,169,716</u>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****15. Creditors**

<b>Amounts falling due within one year</b>	<b>2020 Group £</b>	<b>2019 Group £</b>	<b>2020 Company £</b>	<b>2019 Company £</b>
Current instalments due on loans (see note 16 for security details)	66,626	64,432	66,626	64,432
Trade creditors	262,748	385,737	247,021	332,824
Other taxes and social security costs	314,797	192,950	304,468	185,468
Other creditors	291,649	309,967	287,780	308,164
Amounts due to subsidiary	-	-	-	-
Deferred grant income	12,477	12,144	12,477	12,144
Accruals and deferred income	2,034,881	1,722,448	1,848,217	1,660,007
	<b>2,983,178</b>	<b>2,687,678</b>	<b>2,766,589</b>	<b>2,563,039</b>

**16. Creditors**

<b>Amounts falling due after more than one year</b>	<b>2020 Group £</b>	<b>2019 Group £</b>	<b>2020 Company £</b>	<b>2019 Company £</b>
Bank loan	1,488,118	1,554,434	1,488,118	1,554,434
Other loans	47,916	48,223	47,916	48,223
Deferred grant income	264,146	266,900	264,146	266,900
	<b>1,800,180</b>	<b>1,869,557</b>	<b>1,800,180</b>	<b>1,869,557</b>

A loan of £124,000 was made by Watford Borough Council in 1977. The loan is interest-free and is repayable over the term of the lease. The amount due of £48,221 at 31 March 2020 (2019: £48,522) is the measurement of the liability after discounting for the income rate of return.

£1,664,500 was borrowed from HSBC in 2018 at 2.07% above the Bank's sterling Bank Rate and is repayable over a 20-year term. The amount due at 31 March 2019 was £1,554,439 (2019: £1,618,566).

<b>Based on the earliest repayment date, borrowings are repayable as follows:</b>	<b>2020 Group</b>	<b>2019 Group</b>	<b>2020 Company</b>	<b>2019 Company</b>
One year or less	66,626	64,432	66,626	64,432
One year or more but less than two years	68,525	66,626	68,525	66,626
Two years or more but less than five years	217,417	211,374	217,417	211,374
Five years or more	1,250,092	1,324,656	1,250,092	1,324,656
	<b>1,602,660</b>	<b>1,667,088</b>	<b>1,602,660</b>	<b>1,667,088</b>

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

The HSBC mortgage is secured against the freeholds of:

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

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

<b>Deferred Capital Grants</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred income as at 1 April	279,044	78,623	279,044	78,623
Additions	10,000	205,333	10,000	205,333
Released to Statement of Comprehensive Income	(12,421)	(4,912)	(12,421)	(4,912)
As at 31 March	<u>276,623</u>	<u>279,044</u>	<u>276,623</u>	<u>279,044</u>

<b>Deferred income to be released to the statement of comprehensive income:</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
In less than one year	12,477	12,144	12,477	12,144
In more than one year	264,146	266,900	264,146	266,900
	<u>276,623</u>	<u>279,044</u>	<u>276,623</u>	<u>279,044</u>

**17. Provision for liabilities and charges**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 <sup>st</sup> April	47,000	-	-	-
Arising during the year	25,000	47,000	-	-
Used during the year	-	-	-	-
As at 31 March	<u>72,000</u>	<u>47,000</u>	<u>-</u>	<u>-</u>

A provision for dilapidations to premises was made during the year to cover the costs of any necessary reinstatement and repairs to the properties at the termination of the lease.

**18. Pensions**

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

**Total Pension creditor:**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current	87,017	81,274
Greater than one year	794,558	890,186
	<u><b>881,575</b></u>	<u><b>971,460</b></u>

**Hertfordshire County Council Pension Fund (HCCPF)**

The HCCPF is a multi-employer scheme, administered by Hertfordshire County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2016 and the results have been projected forward using approximate methods, allowing for the different financial assumptions required under FRS102, to 31 March 2020 by a qualified independent actuary.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

The employer's contribution to the HCCPF by the Company for the year ended 31 March 2020 was £3,854 (2019: £4,684).

Estimated employer's contributions to the HCCPF during the accounting period commencing on 1 April 2020 is £4,564.

<b>Financial assumptions</b>	<b>31 March 2020 % per annum</b>	<b>31 March 2019 % per annum</b>
Discount rate	2.3	2.4
Future salary increases	2.3	2.6
Inflation	1.9	2.5

**Mortality assumptions**

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

	<b>2020 No. of years</b>	<b>2019 No. of years</b>
Current Pensioners:		
Males	21.9	22.5
Females	24.1	24.9
Future Pensioners*:		
Males	22.8	24.1
Females	25.5	26.7

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

	<b>2020 £000's</b>	<b>2019 £000's</b>
<b>Amounts recognised in the statement of comprehensive income</b>		
Current service cost	8	9
Total defined benefit cost recognised in surplus or deficit	<b>8</b>	<b>9</b>

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

	<b>2020 £000's</b>	<b>2019 £000's</b>
Opening scheme liabilities	197	167
Current service cost	8	9
Interest cost	5	5
Contributions by members	1	1
Remeasurements	(49)	15
<b>Closing scheme liabilities</b>	<b>162</b>	<b>197</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****Reconciliation of opening and closing balances of the fair value of plan assets**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of scheme assets	188	169
Interest income	5	5
Return on plan assets (in excess of interest income)	(8)	8
Contributions by employer	4	5
Scheme participants' contributions	1	1
<b>Closing value of fair value of plan assets</b>	<b>190</b>	<b>188</b>

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

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Equities	48	59
Bonds	38	28
Property	10	8
Cash	4	5
	<b>100</b>	<b>100</b>

**Sensitivity analysis**

	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount (£000's)</b>
<b>Change in assumptions at year ended 31 March 2019</b>		
0.5% decrease in real discount rate	10%	15
1 year increase in member life expectancy	3-5%	-
0.5% increase in the salary increase rate	1%	2
0.5% increase in the pension increase rate	8%	13

**HCC Pension fund asset / liability**

<b>2020</b>	<b>2019</b>
<b>£</b>	<b>£</b>
-	(9,000)

The scheme results produce a fair value of employer assets greater than the present value of the fund liabilities. The resulting surplus has not been recognised as an asset in the balance sheet as at 31st March 2020. As a result, remeasurements of £9k were recognised as actuarial gains rather than the full £49k.

**Pensions – YMCA Pension Plan**

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

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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, which represented 81% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. The company has been advised that it will need to make monthly contributions of £9,508 from 1 May 2020. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 7 years commencing 1st May 2020.

**YMCA Pension fund liability**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
One YMCA	823,676	899,221
Transfer from East Herts YMCA	57,899	63,239
	<b>881,575</b>	<b>962,460</b>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At 1 April	962,461	1,038,253
Paid in year	(109,760)	(107,117)
Unwinding of discount included in finance costs	28,874	31,324
<b>At 31 March</b>	<b>881,575</b>	<b>962,460</b>

	<b>As at 31</b>	<b>As at 31</b>
	<b>Mar 20</b>	<b>Mar 19</b>
	<b>£</b>	<b>£</b>
Repayable within one year	87,017	81,274
Repayable in more than one year	895,407	1,008,860
Discount	(101,238)	(127,674)
	<b>881,186</b>	<b>962,460</b>

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



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****19. Group analysis of changes in net debt**

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

	1 April 2018 £	Cash flows £	Non-cash movement £	31 March 2019 £
Cash	1,923,041	322,602	-	2,245,643
Loans falling due within 1 year	(19,401)	48,874	(93,905)	(64,432)
Loans falling due after more than 1 year	(381,168)	(1,315,393)	93,905	(1,602,656)
	<u>1,522,472</u>	<u>(943,917)</u>	<u>-</u>	<u>578,555</u>

**20. Operating lease commitments**

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

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
The following operating lease payments are committed to be paid				
within 1 year	116,581	79,861	116,581	79,861
within 1-2 years	69,298	64,661	69,298	64,661
within 5 years	125,703	91,900	125,703	91,900
	<u>311,582</u>	<u>236,422</u>	<u>311,582</u>	<u>236,422</u>

**21. Group Restricted Funds**

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

In 2018/19 the only restricted fund related to Children In Need disclosed below.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****Group Restricted Funds continued****BBC Children in Need**

During 2020, funding of £14,303 (2019: £21,278) was received against expenditure incurred. The project provides youth drop in sessions, short-term projects and mentoring support to young people from local low-income households. The grant has now ended.

**National Lottery Grant**

Early Childhood Partnership was awarded a grant from The National Lottery Awards for All fund during 2020. The funding allows the Charity to run a weekly group for fathers and their children aged under five. It provides them the opportunity to build social networks, creates an informal support system and strengthens relationships in and around the community. During 2020 £9,010 was received of which £2,253 was expended with a balance of £6,848 being held in deferred income.

**Friends of Eastcotts Fund**

A fund of £18,156 was transferred to Early Childhood Partnership in 2020 to fund the replacement of items at the Eastcotts children's centre. The funds were raised by the local community.

**22. Related party transactions**

One YMCA is a corporate trustee and sole corporate member of Central Hertfordshire YMCA which is a dormant subsidiary. Three of the Trustees were also Trustees of Central Hertfordshire YMCA. These were Nicola Lucas, Nicholas Mourant and Christine Neyndorff (to 25 September 2019). The Director of Resources was its Company Secretary.

One YMCA is the sole corporate member of Early Childhood Partnership which delivers the Bedford Borough children's centre contract in partnership with other not-for-profit organisations. Three of the Trustees also served as Trustees of Early Childhood Partnership during the year. They were Jane Cotton (to 5 December 2019), Dionne McCalla (to 12 July 2019) and Sal Thirlway. The Director of Corporate Services was its Company Secretary.

At 31 March 2020, Early Childhood Partnership owed One YMCA £2,686 (2019: £1,486). One YMCA provides central services to Early Childhood Partnership such as finance, human resources and property management on an arm's length basis. The role of Business Manager is also provided by One YMCA. A charge is made for these services.

**23. Capital commitments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Contracts placed for future capital commitments not provided in the financial statements	27,374	136,826

The contracted capital commitments at the 31 March 2020 relate to the purchase of an additional 24 laptops and kitchen equipment at the nursery. All items are current year commitments.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**24. Contingent liabilities**

As at 31 March 2020, there was a contingent liability in respect of social housing grant that was awarded to the Company in prior years. There is a potential for repayment or recycling in accordance with the Regulator of Social Housing's guidance in the event that the sites were disposed of and/or taken out of social housing uses. The properties are:

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

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

**25. Membership**

As at 31 March 2020, there were 40 members of the Company (2019: 40).

**26. Post Balance Sheet Events**

- a) On 1 April 2020 a number of activities provided by Families First Bedfordshire were transferred to the Early Childhood Partnership Charity and the associated staff were transferred under TUPE.
- b) COVID-19 hit the world towards the end of the financial year, manifesting itself in many ways through the communities we serve. Our swift response was to refocus the Company so that all staff members were converted (with training and support) to our Community Critical Services, namely Housing Support, Family Support (including Nursery provision) and Youth Support, plus the usual Central Support and governance functions. While the journey has not been easy, we have been pleased to see how well staff, service users and the organisation as a whole have weathered the Coronavirus storm so far.

This wholehearted response from staff has seen solid and sustainable front line and financial results both in the final part of the financial year and into the summer:

- Housing Support work has continued (and in fact expanded) to meet the need, boosted by staff seconded from other areas. Local authorities and government funding has been boosted to help us cope with increased demand
- Family Support work has moved to digital platforms, meeting the needs in new ways, with funding from our commissioners confirmed as being secure for the duration of the contract. Commissioners have reported being extremely pleased with our proactive approach and tireless delivery
- Nursery provision has reduced as lockdown hit, however, our setting remained open for Keyworker children and was able to attract new families where other provision had closed. Occupancy has not yet returned to normal levels however, financial growth back to "normal levels" is above our predicted curve at present
- Youth Support so moved to an entirely digital delivery platform, with new funding enabling us to take on new staff members. Our output on social media has been growing rapidly, which is excellent to see, however this is no substitute for face to face work. All funding streams remain in place; however, we anticipate that fundraising will be challenging in the next financial year, with COVID-19 responses having drained many of the usual funding sources

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

- Our Gyms and Community Hubs had to be closed as part of lockdown. While this enabled staff to be seconded to our Community Critical Services, it has severely impacted income - albeit that this has been partly Ofsted by the Furlough Scheme.

Overall, we are pleased that the charity has been able to play a major part in the local response to the crisis, without neglecting the ongoing support of the vulnerable people we serve. The flexibility and agility shown by the staff and the shift in service delivery has left us in a resilient financial position, with strengthened relationships with our commissioners.