

# YMCA ENGLAND & WALES ANNUAL REPORT & ACCOUNTS

YEAR ENDED 31 MARCH 2020



**YMCA**





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# WELCOME TO YMCA ENGLAND & WALES ANNUAL REPORT 2019/20

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## ANNUAL REPORT FOREWORD

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The beginning and end of the 2019/2020 financial year could not have been more different in their outlooks.

In April 2019 YMCA finances looked healthier, our programmes and services were 'open for business' in our local communities and we looked to the future with a confidence of how we can grow to serve even more people within other communities. As we closed the financial year, the country was in lockdown as a global pandemic swept across the globe and through our towns and cities. For YMCAs, this has meant having to adapt a number of services to a new normal of social distancing or close them temporarily altogether. With this has brought a climate of uncertainty, confusion and, in some cases, a fight for survival.

2019/2020 has been a particularly poignant year for YMCA as we celebrated the 175th anniversary of our creation in 1844. During this long history we have faced challenges before and we have continuously overcome. Whilst supporting our communities during the Covid-19 crisis is not quite the same as being on the frontline during two world wars, the spirit of collective strength; responding to rapidly challenging circumstances and facing the unknown together, are lessons from our past which have enabled us to strongly face the present.

This history could not have been more on show during this year as we welcomed more than 3,000 young people from across the globe to London for the YMCA 175 celebrations. A festival of youth, diversity, and the sharing of knowledge and experiences resulted in an event that none of us would ever forget. How different the world seems twelve months later, yet the legacy of this incredible event will live on through our work.

Within YMCA our 175th year has also delivered some transformative changes. YMCAs collectively agreed a new Membership Agreement for England and Wales putting in place a new foundation on what it means to be a YMCA and to serve our communities with a common set of standards

across YMCAs. The Commission process also came to an end and whilst a new business model for the National Council did not emerge from this, it nonetheless highlighted the determination of YMCAs to see a National Council that is robust, fit for purpose, delivering with and for the Federation through deeper cooperation.

No charity survives or succeeds for 175 years without adapting and evolving to new environments as they emerge. When reflecting on the past few years it should be with a sense of pride to see YMCA moulding into an organisation that is more confident in its role of championing young people and local communities and campaigning alongside them.

This new confidence was reinforced by the National Board of Trustees in supporting our first national campaign. Centred around the benefits of youth services, the campaign was chosen not only because it unites the work of all YMCAs but also because properly funded, professional youth services can make such a positive impact upon the life chances of young people. Launching towards the end of 2019 through social media and YMCA branding prominent on a number of bus shelters, billboards and trains in chosen locations, our campaign was successful in raising awareness of an issue integral to young peoples' lives and promoting YMCA as a national brand.

However, despite this confidence, the impact of Covid-19 will be with us for many years to come and it is not an understatement to state that from early 2020 YMCA entered an unprecedented era. Virtually overnight many YMCAs had to close down a range of services and reflect upon how other services could be delivered in a different and digitally based way. YMCA England and Wales retail operation was also forced to temporarily close all of its shops with nearly all retail staff placed on furlough. All of these required actions have longer-term consequences, not only financially but also for the well-being of our beneficiaries.

As a result, YMCA England and Wales' financial position will show a small operational loss. Inclusive in this is our investment in launching our first national campaign as well as distributing significant sums across the Federation to support individual YMCA's response to the Covid-19 crisis. Despite this, we have also during this financial year repaid all loans, secured a healthy reserves position with monies invested to generate income to support the significant pension contributions.

In true YMCA style, we have all worked and continue to work hard to weather the current storm. We are achieving this through innovation and collaboration, sharing not just resources but also ingenuity. It speaks to the heart of how YMCA – this magnificent mass of energy, positivity and resourcefulness – responds to crises. We are one organisation and we are many. We are a collective and also individual. We are a federation of charities serving our young people and communities. And we do it so well.



**Reg Bailey CBE**  
Chair,  
YMCA England & Wales



**Denise Hatton**  
National Secretary and CEO,  
YMCA England & Wales



100+

YMCAS PROVIDE SERVICES THROUGHOUT ENGLAND AND WALES



YMCA SERVES

740

DIFFERENT COMMUNITIES NATIONWIDE

YMCA IMPACTS UPON THE LIVES OF MORE THAN

630,000

PEOPLE EVERY YEAR



RUNS MORE THAN 60 GYMS AND HELPS

125,000

PEOPLE ENGAGE IN OUR HEALTH AND WELLBEING SERVICES



## WHAT YMCA DOES

ENABLES MORE THAN

68,000

PEOPLE EVERY YEAR TO ENGAGE IN EDUCATION AND TRAINING TO IMPROVE THEIR OPPORTUNITIES IN THE JOB MARKET



PROVIDES DIRECT SUPPORT TO

230,000

CHILDREN AND PARENTS



PROVIDES MENTAL HEALTH ADVICE AND COUNSELLING FOR MORE THAN

17,000

YOUNG PEOPLE EVERY YEAR



5 RESEARCH REPORTS PUBLISHED AND 4 NATIONAL CAMPAIGNS UNDERTAKEN



## HOW YMCA INFLUENCED

17

REFERENCES TO YMCA WORK IN PARLIAMENT

33

YOUTH AMBASSADORS RECRUITED AND UNDERTAKING TRAINING



PROVIDES A HOME  
TO MORE THAN  
**18,000**  
PEOPLE EXPERIENCING  
HOMELESSNESS EACH YEAR



SUPPORTS MORE THAN

**33,500**

PEOPLE THROUGH  
YOUTH WORK EACH YEAR



**2,790**

YOUNG PEOPLE  
INVOLVED IN OUR POLICY  
AND RESEARCH WORK



**32,990**

PETITION SIGNATURES  
IN SUPPORT OF  
YOUTH WORK



YMCA'S NATIONAL  
CAMPAIGN REACHED

**19.1M**

PEOPLE



YMCA ENGLAND & WALES  
GENERATED 928 PRESS  
ARTICLES REACHING  
A TOTAL AUDIENCE OF

**196.3M**



GATHERED

**3,000**

YOUNG PEOPLE TO  
CELEBRATE 175 YEARS



**£12M**

TRANSFERRED OUT OF  
THE PENSION SCHEME  
REDUCING LIABILITY



TOGETHER YMCA

PILOTED IMPACT  
MEASUREMENT TOOL  
IN HOUSING



PASSED THE MEMBERSHIP  
AGREEMENT AT

**93%**



YMCA ASPIRES TO

ACHIEVE  
MORE AND BETTER  
TOGETHER





**YMCA is proud to be the oldest and largest youth charity in the world, with our foundations first rooted in England in 1844. Over the years, YMCA has evolved into a significant global movement, passionately helping more than 58 million people across 119 different countries.**

**YMCA England & Wales, the National Council of the YMCA Federation, provides a robust national voice on behalf of more than 100 local YMCAs working in almost 740 different communities to intensively support 630,000 people every year so that they have an opportunity to truly belong, contribute and thrive in today's society. YMCAs share a common goal: we are an unstoppable movement intent on creating supportive, inclusive and energising communities, enabling young people to lead their very best lives.**



YMCA England and Wales represents YMCAs by advocating the needs of the most vulnerable people in England and Wales through engaging government, key policy makers and national media. A number of developments have been built on during the year, which take forward and expand the influence that YMCAs have in relation to shaping the future agenda. We continue to adapt in the light of young people's priorities – looking to develop solutions to the issues faced in today's society, and working with our YMCAs to meet the needs of young people in communities. We have continued to focus on ensuring that young people have a home and in campaigning in response to the reduction in youth services. Together YMCAs in England and Wales are continuing to drive the momentum and push for change around our national flagship campaigns: Be Real and #IAMWHOLE. More recent developments have been in the provision of solutions to address the mental health challenges of young people (our Changing Futures work). At the same time, we ensure that the YMCA movement in England and Wales is connected to our international movement.

YMCA England and Wales supports local YMCAs by promoting gold standards of working, sharing best practice and more recently in the adoption of common core standards that define a YMCA. We also fundraise on behalf of local associations both through fundraising (national campaigns, corporates and donors) and through a retail operation – that as well as financial benefits brings many non-financial benefits in the form of local employment and signposting to services. We also partner with YMCAs to pilot new projects, identify new opportunities and provide training / knowledge sharing opportunities for staff and volunteers. There is also on occasion the need for intervention, support and expert advice in order to address local issues – whether in the form of financial, communications or governance level support. We also act in the role of Principal Employer in relation to pensions, lead on other joint procurement initiatives and where requested undertake payroll for a number of YMCAs.

The work of YMCAs is making a difference to young lives every single day. The support that we deliver every day to support young people is only made possible thanks to the dedication of staff and volunteers, and the generosity of our faithful supporters.

# STRATEGIC REPORT

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## STRATEGIC OBJECTIVES

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YMCA England and Wales (YMCA EW) has three aims that it shares with the Federation (set out in the YMCA Federation Strategy 2017 to 2021). These priorities are to be reviewed with the Federation in the coming year so as to set a new strategic direction for the period from 2022. The following section updates on progress against these strategic objectives. The strategic objectives for the Federation as in prior years remain as:

### **1. To be viable and sustainable by:**

- ▶ Maximising asset value and removing the pension burden;
- ▶ Generating greater economies of scale, scope and efficiencies through collaboration and partnership; and
- ▶ Changing the income mix and reduce reliance on statutory funding.

### **2. Extending our influence and impact by:**

- ▶ Effective evidence-based research. Local/national engagement with decision makers;
- ▶ Communicating and promoting the activities and impact of the Federation; and
- ▶ Demonstrating and measuring the impact of the Federation.

### **3. Working together better to deliver better by:**

- ▶ Modelling good governance and management;
- ▶ Building capacity and skills; and
- ▶ Delivering safely to consistently high quality and standards.

Each and every YMCA is responsible for the successful delivery of the Federation Strategy. YMCA EW however, in its role as the national body, has three further objectives which are focused on delivering services to our member YMCAs. These are:

- 4. To secure our financial future by increasing our income and reducing costs to ensure our sustainability;**
- 5. To ensure a fit-for-purpose infrastructure; by creating a new, streamlined structure to deliver the Federation Strategy within our financial constraints; and**
- 6. To protect and enhance the YMCA by acting as guardian for all that the YMCA stands for in England and Wales and contributing to its development at home and abroad.**

This report shows how we performed against the aims we set ourselves for 2019/20, how we delivered value and the impact we made.

## REVIEW OF STRATEGIC AIMS AND ACHIEVEMENTS

The progress made in 2019/20 needs to be considered in the context of the significant environmental upheaval at the latter end of the year in the face of the Covid-19 virus which has had implications reaching into 2020-21. The focus of the Federation Strategy, as recognised, has been to provide for a YMCA that is better able to meet young peoples and community needs. Many of the current set of objectives focused on a better alignment of skills, resources and agendas to provide for a common focus that is able to deliver more than the sum of the parts. In this context, many of the 'current' objectives represent not just a point in time but rather the development of a culture of continuous improvement, with YMCAs working together in order to further the agenda and build on the significant history of the YMCA, celebrated in our 175 year anniversary which fell during 2019/20.

In addition to the assessment against the individual actions identified in the Federation Strategy which is set out below, work has also now concluded in relation to two significant projects intended to better shape the future of the Federation. These have been:

- ▶ Work in relation to a membership agreement - with YMCAs defining the standards that are expected of a YMCA. This work, led by the Federation, and facilitated by YMCA EW, was adopted in June 2019 with 93% of YMCAs voting in favour. This development provides the basis for a common set of standards across YMCAs, enables the mitigation of risk and greater collegiate accountability to one another; and
- ▶ Work in relation to a future business model (again led by a representative group from across the Federation) – clarifying the role of YMCA EW, how it is funded and providing a future collaborative, clarified basis for future working that would deliver more and better work for our beneficiaries. Whilst this work did not receive universal support across all aspects at the December 2019 Annual General Meeting (receiving some 65% of the required 66% vote needed), there remains an acceptance of the need for change and support for many of the aspects of reform proposed e.g. with a more joined up approach in areas such as fundraising.

Work in relation to the above has continued in 2020-21 with membership agreements now being signed and returned and a health-check issued that provides for data in relation to a number of key metrics. In addition other projects have also progressed in relation to the proposed more collaborative way of working and clarified business model. This work has been built on through two very specific projects in the year that have again attempted to provide a joined up approach to activity. The first has been a national campaign designed to test the impact of different marketing mediums across geographies in order to inform future campaign related activity. In addition to this work has begun on the creation of single metrics to assess performance across the Federation with initial work identifying housing related metrics that could better assess impact. This work continues

into 2020-21 addressing the data related implications of a 'single metric' and in considering the scope for a similar application into other work areas.

Finally, and before moving on to an individual assessment against each of the objectives and targets in the Federation Strategy, much work has been undertaken at the tail end of the 2019/20 financial year and into 2020-21 to assist YMCAs weather the challenge that has been presented by Covid-19. This is set out in a separate Covid-19 update but has included both risk assessing areas of concern across the Federation (given the community facing nature of activities) and loss of income, but also the provision of direct support, whether in the form of professional advice or direct financial support in order to assist with cash-flow challenges. This work remains a focus of activity for the National Council as we seek to ensure that the services provided by YMCAs remain for future generations. The following, in the meantime, provides an assessment of performance against the aims and objectives in the Federation Strategy.

## AIMS AND OBJECTIVES

### 1. BE VIABLE AND SUSTAINABLE

Maximise **asset** value and remove the **pension** burden:

- ▶ Integrated strategy for asset value maximisation across the Federation: Maximising asset value across YMCAs remains a long term goal, and a number of opportunities have been identified where collaborative working would be beneficial and deliver greater value. Whilst some initiatives have been implemented e.g. a shared VAT advice line and others remain in progress e.g. a collaborative mixed model of fundraising across the Federation there remains considerable scope for other areas to be targeted in order to reduce costs and re-prioritise funds to maximise impact for beneficiaries.
- ▶ Integrated solution to reducing and buying out pension liabilities: Work has continued in relation to managing the pension including concluding an enhanced transfer value exercise which has reduced some of the liability in the scheme with approx. £12m transferred out of the scheme. Work continues on the next phase of the journey to manage out the liability albeit recognising the challenge presented in the current environment.

Greater **economies of scale, scope and efficiencies** through collaboration and partnership:

- ▶ Proactive exploration and development of collaboration opportunities: Some areas already utilise collective buying power e.g. in the areas of insurance, group life cover, pensions and in some service areas such as payroll and human resources. Work in relation to the business model identified opportunities, some of which are progressing although further work is needed to maximise this potential.
- ▶ Develop collaboration support and guidance: A mergers tool-kit has been made available and has been issued to a number of YMCAs during the year. Other support and guidance continues to be developed in relation to need e.g. a number of guidance notes were issued in relation to Covid-19 with identified practice and the Mental Health Champions toolkit has been developed providing tools to be replicated across the country.
- ▶ Develop and implement resource sharing approaches: A range of shared opportunities have been identified and, where appropriate, some have been taken forward e.g. in respect of VAT and data protection. In order to identify those activities that offer scope for greater local, regional or national collaboration, work continues in this area to identify the approach / level which maximises benefit for YMCAs and into 2020-21.

### Change income mix and reliance on **statutory funding**:

- ▶ Develop and roll out a range of business models: Work concluded on a new business model for YMCA EW, having been two years in development. Whilst not achieving the required support across the Federation (albeit close) there remains support to consider alternative ways in which the Federation can better collaborate in order to maximise the impact for beneficiaries. Having paused due to Covid-19, work will recommence to explore the appropriate opportunities for YMCAs in relation to business models, income mix and funding. This need has been demonstrated in particular by the challenges of Covid-19, with many income sources (fees and charges) having stopped during the pandemic, while statutory funding continued to provide a 'solid' income base. There are therefore a number of different considerations now required in relation to this objective.
- ▶ Develop and implement an approach to coordinated fundraising and tendering: A partnership approach remains a key focus with work progressing in relation to the mixed model – with initial activity developing the key principles that would be necessary to underpin such an approach. Joined up tendering also remains an opportunity, and which continues to be explored at a national level.

## 2. EXTEND OUR INFLUENCE AND IMPACT

### Effective evidence-based, local/national **engagement** with decision makers:

- ▶ Equipping and supporting local engagement: A number of events have been held throughout the year to gather evidence of local issues within a national perspective, and to aid and inform policy development. YMCA EW have continued to play a key role in supporting local engagement, and through discussions with Government and key sector players, have influenced the outcome of policy consideration, ensuring that YMCAs are represented collectively at a senior level.
- ▶ Sector partnership development: YMCA EW continue to work in partnership with stakeholders in the sector to identify common interests. This has included specifically work across body image, mental health, housing and the cuts in youth services, in order to develop a response to the challenges faced by young people. YMCA continues to champion with partners the need for better outcomes for young people.
- ▶ National campaigns: A number of national campaigns were undertaken during 2019/20 focusing on the issues faced by young people – raising awareness and stimulating action. These have included issues in relation to housing, mental health, welfare, support, work and training – all work areas that the YMCA delivers on a daily basis. YMCA EW continues to be a partner in the All Party Parliamentary Group on Youth Affairs and works with MPs across a range of activities through regular meetings and correspondence (and with our Parliamentary Patrons). In 2020-21 we undertook work in relation to pilot our first national campaign (following approval of investment from the Board), with a campaign launch in late 2019 and carrying on into 2020. Early indications have shown this pilot to be successful and will inform next steps.

### **Communicate** and promote the activities and impact of the federation:

- ▶ Shared performance measurement framework: Work has progressed further in 2019/20 with a presentation at the Annual General Meeting on a housing based metric. This work continues into 2020-21, both in terms of delivery of the first metric in the form of housing but also to explore metrics across other work areas.
- ▶ Develop and implement frameworks to capture and disseminate activities across the Federation: Given other priorities, and the work in relation to a future clarified business model, national campaign and impact measurement, the further roll-out of frameworks has taken a 'back-seat' whilst other ways of better collecting and communicating information of the Federation's activities is progress.

Demonstrate and measure **impact** of the Federation:

- ▶ YMCA evidenced research reports around key areas: A number of evidenced research reports were produced in 2019/20. All of the research reports continued to attract significantly more media attention than in previous years with a number meriting front page national attention.
- ▶ Consistent adoption and application of brand: The brand has now been adopted by over 70% of the Federation and represents a further improvement on the prior year. Following the adoption of the membership agreement YMCA EW continues to offer support to those YMCAs that are wanting to adopt the brand and continue to make progress towards the adoption of a consistently applied brand standard with this becoming mandatory in the future following agreement to a membership agreement.
- ▶ Internal and external communications strategies/frameworks: A range of internal and external communication strategies and frameworks have been adopted including local advice to member YMCAs on difficult public relations issues. This has included key messaging through all forms of social media and increased use of the intranet portal providing channels through which the YMCA is able to communicate with those inside and outside the Federation.

### 3. WORK TOGETHER BETTER, TO DELIVER BETTER

Model good governance and management:

- ▶ Agree and nurture most appropriate association/federation structure: The activity taken forward by the Federation concluded in 2019/20 with the vote at the Annual General meeting. Whilst concluding, work helped in clarifying roles and responsibilities across the Federation.

- ▶ Clarify governance standards and requirements: Work concluded on agreeing a Membership Agreement that will provide for core standards to be mandatory in every YMCA with a 93% majority voted through at the General Meeting. Work in the latter half of 2019-10 has been to require YMCAs to sign up to the standards, and also the return of a newly developed 'health-check' that will better enabled risk to be managed and provide accountability.
- ▶ Clarify and adopt rights and responsibilities: As noted 93% of YMCAs voted in favour of a new membership agreement, with rights and responsibilities across the Federation set out.
- ▶ Monitoring and health checks: A new health check, as required under the adopted Membership Agreement, has been developed and issued to the Federation for completion during 2020-21. A number of returns have already been received.
- ▶ Review and simplify governance mechanisms: The Membership Agreement sets out a number of core governance standards whilst the work on the business model, although not adopted, clarified current roles / relationships both within YMCA EW and with the Federation.
- ▶ Clarify crisis/intervention mechanisms: Specialist support has been offered to a number of YMCAs during 2019/20 who have been struggling with sustainability, viability, human resources, public relations and other challenges in their work with young people. This resource has supported Federation Trustees and Chief Executives to explore their options for collaboration/amalgamation to improve sustainability, including where appropriate the consideration of different models, whilst also enabling a number of lessons to be learned that will provide a blue print for a future 'interventions' model – recognising that this role has become increasing in need in the light of the current environmental challenges.

### To build capacity and skills:

- ▶ Coordinated approach to developing capacity and skills in key practice areas: There has been some activity in this area across the Federation with the formation of specific work area targeted groups to consider how best to work together. In relation to YMCA EW there remains the opportunity to undertake appropriate professional development opportunities to develop the core skills needed, alongside which some desired organisational restructuring has provided a structure and capacity that is better able to meet future needs.
- ▶ Develop and implement a culture and behavioural framework: During the work on the business model the opportunity was taken to identify the culture and behaviours that should be aspired to and which underpin the way in which the YMCA undertakes its work across England and Wales. Alongside this YMCA EW have developed a culture that provides a framework for the activities and behaviours of staff which has been rolled out and adopted by staff, ensuring that staff focus activities on how it contributes to improving young lives. Work into 2020-21 will continue to explore how best to embed these cultural aspirations.
- ▶ Develop and implement volunteer strategy: Progress has been made on the development of a coordinated strategy for volunteers in retail, alongside a number of volunteer opportunities in other national office functions e.g. in policy and communications work, finance, IT and fundraising. This activity has been furthered through our recent partnership with Spare Hand where we have looked to identify and assist in the response to capacity issues created by the Covid-19 emergency.
- ▶ Leadership development programme: An initial programme was developed by the George Williams College following pump prime funding from YMCA EW. The first cohort of learners attending in 2018-19 with activity continuing into 2019/20.

- ▶ Create and nurture internal networks: Internal networks across the Federation operate effectively that enable the voice of the Federation to be heard. This has included Chair networks, Chief Executives network and senior leader events with support / facilitation by YMCA EW as well as more formal aspects of the democracy process such as the Annual General Meeting. Work through the business model looked at how best to facilitate both formal and informal networks in order to ensure that all are able to contribute to the debate with a number of identifies areas of improvement (including a national conference which was to be held in July 2020 but has been replaced with a number of virtual events).

### Deliver safely to consistently high **quality** and **standards**:

- ▶ Articulate and roll out quality service standards: Quality standards developed and set out in the Membership Agreement.
- ▶ Roll out and monitor safeguarding standards: Safeguarding is a priority across YMCA and within YMCA EW has included a new safeguarding policy, tightening up of the approach to DBS checks and appropriate recruitment checks, as well as mandatory roll out of training with 100% compliance. Across the Federation, YMCA EW continues to provide guidance on best practice.

## AIMS AND OBJECTIVES – YMCA EW SPECIFIC

As noted above YMCA EW has further objectives in relation to its own operations. An assessment of progress against these are assessed below:

- ▶ To secure our financial future; by increasing our income and reducing costs to ensure our sustainability: Unrestricted funds showed a small operational loss in 2019/20 of £0.2m which is disappointing given the prior operational surpluses delivered. This position however takes into account £0.3m of investments sanctioned by the Board (a national campaign and impact measurement programme) as well as distributions to the Federation. Excluding these items the position would have (again) represented an operational surplus – which would have been further enhanced were it not for the loss of retail income in the last two weeks of March due to Covid 19 (which alone would have add a further £0.3m to income). The YMCA EW balance sheet remains in a strong position with all loans now repaid, monies invested in order to generate an income to assist with the significant pension contributions and a healthy Reserves position. As such the future remains secure although noting that the work on a future business model didn't deliver an agreed means of funding YMCA EW that would enable all of the services identified by the Federation to be delivered.
- ▶ To ensure a fit-for-purpose infrastructure; by creating a new, streamlined structure to deliver the Federation Strategy within our financial constraints: A number of changes have been made to the infrastructure that has enabled a streamlined infrastructure in YMCA EW which have continued into 2019/20. This has included staffing changes, but also the introduction of new systems and processes that enable activity, within limited resources, to be focused on the priorities that align with overarching objectives and specifically meeting the needs of young people.
- ▶ To protect and enhance the YMCA; by acting as guardian for all the YMCA stands for in England and Wales and contributing to its development at home and abroad: YMCA EW has continued to represent the Federation at home and abroad, ensuring that the YMCA voice is heard across the World. There have been various notable successes in ensuring that the YMCA as a movement continues to focus on the key priorities that are impacting on young people. Engagement on an international level continues to go from strength to strength. This has included facilitating the hosting of the August 2019 YMCA175 event at the Excel Centre in London in 2019 which was attended by YMCAs from across the globe.

## LOOKING AHEAD AND THE IMPACT OF COVID-19

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The events in late March 2020 have overtaken many of the otherwise strategic developments that would have provided the basis for foundational change across YMCAs, building on the work of the last two years to provide a clarity on the role of the National body and the relationships across the Federation. Whilst this work will continue to be pursued, with the role of the National Body evidenced and clarified through activities, much of the focus in early 2020/21 has been on managing the response to Covid-19.

In relation to YMCA EW much of the day-to-day activities have continued, with certain external facing events having been cancelled. The main implication has therefore been in relation to the close of the Retail function (which is an income generator for YMCA EW and the Federation) and investments (where values have fallen). It is estimated that across the two years of 2019/20 and 2020/21 the impact of Covid-19 has been approximately £2m (although nearly half of this has been a fall in investment values and during 2020 we have already seen the return of this, with indeed increased returns in value due to timing). Of the balance, this included the loss of income



from retail at the end of 2019/20 continuing into 2020/21 – with some of the lost income offset by accessing Government grants and cutting costs. This loss also includes a 3-month affiliation fee holiday for YMCAs – recognising that for some the current environment challenges pose a viability threat. YMCA EW have taken advantage both of the furlough scheme and Retail, Hospitality and Leisure Grants both of which have helped to reduce the impact of otherwise lost income.

In accordance with Government guidance, the YMCA began the process of reopening shops on a phased basis from mid-June to allow monitoring of income levels and appropriate decisions taken on whether to either increase or reduce the pace of planned reopening. At this stage, we are heartened by the shops performance following reopening which is surpassing the revised forecasts given the uncertain environment and showing signs of returning to a more normal ‘steady state’. In terms of investment values, following 31 March 2020 there has already been some return of value – which will benefit the 2020/21 Report and Accounts (given that these are held for the long run), and as such reducing the size of the impact outlined above.

In terms of the Federation, many YMCAs have found innovative ways of delivering the services that are required by communities. These have included responding directly to community needs whether in the form of providing beds for those that find themselves homeless specifically in assisting the Government to house rough sleepers during this time, increasing food bank supply to those that are need, increasing support to communities and indeed extending to the provision of online education, health and wellbeing classes. The YMCA has once again, as it has done so across previous World Wars and other crises, demonstrated that despite the challenges it can play a major role in helping society manage return to some normality and ensure that young people and communities continue to feel supported.

Despite very much remaining a key component in assisting young people and communities to manage through the Covid-19 situation, we are aware of the challenges faced by the Federation as it responds in particular to some of the financial challenges created through the loss of income. The YMCA movement is a Federated structure (i.e. made up of independent Trusts) with a total income of approx. £220m, of this approx. £80m relates to housing activity. This housing activity, being statutory funded, is largely unaffected by the cessation of activities. However, most of our other activities have been closed in line with Government instruction including gyms and fitness centres, swimming pools, hotels, retail shops and outdoor centres. Other areas such as nurseries and crèches, youth work and other community facing activities have continued for key workers although take up in some instances has not been significant. YMCAs have also innovated where possible to continue to provide support e.g. training, counselling, support and physical activity through digital platforms. Whilst in the light of the relaxation there has been some opening up of facilities which has enabled YMCAs to begin to generate incomes once again, the consequence of this has been to put at risk a significant element of income. The furlough scheme has provided welcome relief in meeting 80% of the staff costs, but it has required in the period of closure for the balance of income to be found. Whilst there has been some scope for reducing this impact e.g. where variable costs linked to consumption such as utilities, negotiated rent holidays, administration cost reduction and reduced telephony there are still many fixed costs such as insurance and standing charges on utilities, that are to be met for which there is no income now being earned. It is estimated that the cost to the Federation could be a £40m–£50m for the year (albeit a number of activities are now in the process of reopening).

In response to the above, the role that YMCA EW undertakes in relation to providing intervention and support to the Federation has been very much at the forefront during the early part of 2020/21. This has included risk assessing every YMCA to better understand the risks to the organisation, and to provide appropriate support. This support has included:

- ▶ direct financial support in the form of an Emergency Response Fund (totalling over £1.8m) to address immediate cash-flow issues through both trust fund support and an emergency relief appeal.
- ▶ an affiliation fee holiday for three months for all YMCAs; and working with the Pension Scheme trustees to provide a three-month deferral on the deficit contributions.

Alongside this 'direct' financial assistance to manage through these difficult months, YMCA EW has continued to provide support and guidance to YMCAs, with some direct intervention where necessary to assist the Federation to rise to the challenge. This work will continue in 2020/21 as the further impact of Covid-19 emerges.

The longer-term implications of Covid-19 continue to be worked through as the short term focus on survival moves to a strategic focus building on the foundations already laid and to enable YMCAs to re-emerge. Key to the future remains the need to ensure that risks are managed, governance is exemplary but also an environment where relationships are understood, opportunities are maximised and work is taken forward together in a spirit of partnership; ensuring that the assets at our disposal are utilised for greatest impact in transforming young lives. This will be achieved through an increasing outward focus across activities – building on themes identified so as foster a rejuvenated democracy and engagement, shared income generation activities in a collaborative way that maximises potential for all, and a YMCA where roles and responsibilities are clear and that enable YMCA to be the leading charity in shaping better outcomes for the young people we serve.

In the light of the above, and whilst the current environment is very much a case of reacting to the current set circumstances and challenges faced to ensure that young people and community services are retained for the benefit of future generations it is very much planned that this will turn to a more strategic conversation that is concerned with how the YMCA will re-emerge as a stronger more united Federation that maximises its influence and impact to deliver change for young people and society. This remains our challenge as we move into 2020/21, adapting to the ever changing environment and ensuring that YMCA builds on our 175-year history of being there in the time of need.

## RISK MANAGEMENT AND INTERNAL CONTROLS

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YMCA EW operates a comprehensive corporate risk management process in order to manage and mitigate risk. The Board of Trustees has overall responsibility for ensuring that we operate an appropriate system of controls, financial and otherwise, to provide assurance that:

- ▶ Our resources are used in a way that maximise impact for our beneficiaries and the Federation
- ▶ We are operating efficiently and effectively within a climate of value for money
- ▶ Our assets are safeguarded against unauthorised use or disposition
- ▶ Proper records are maintained and financial information used within YMCA EW and for publication is reliable and accurate
- ▶ We comply with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. These include:

- ▶ A strategic plan and budget approved by the Board following a thorough business planning process
- ▶ Ensuring that the Board, Committees and Senior Leadership Team are appraised of financial results, variances from budgets and non-financial performance indicators
- ▶ A Committee structure that ensures an appropriate skills mix to be able to have informed challenge
- ▶ Frequent update to both the Board and
- ▶ Effective management information systems, which continue to develop with the provision of monthly management accounts to a range of audiences including: Trustees, Leadership Team and Budget Holders
- ▶ Delegation of authority and appropriate segregation of duties ensuring controls on expenditures
- ▶ Appropriate financial policies, processes and systems as detailed in a Finance Manual
- ▶ Identification and management of financial and other risks by the Board and Senior Leadership Team including frequent review of the Risk Register
- ▶ Processes to ensure that conflicts of interest are identified and recorded
- ▶ Regular checks and review through internal, joined up budget/out-turn conversations
- ▶ Updates from investment managers and provision of information to Committees

The Finance and Audit Committee monitors the effectiveness of audit and reviews our risk management processes. The Committee has provided the following statement:

The Finance and Audit Committee has reviewed the reports from the senior management, auditors and other reports on areas of operation. It is through regular review, scrutiny and challenge from experts that the environment for continuous improvement is created, providing a basis for the assessment of whether internal controls and risk management have operated effectively during the year. Future developments include revisiting the approach to finance improvement and considering both the need for periodic internal review of key areas (whether commissioned internal audit reviews as planned pre Covid-19 or by way of peer review) and a coordinated Finance Improvement Plan, providing a single programme for ongoing improvement of performance.

In relation to risk, the Board operates a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks faced, prioritising them in terms of potential impact and likelihood of occurrence, and identifying a means of managing risks. This has also informed the Reserves Policy that is set by the Board. As part of this process the Board receives regular reports detailing major risks, approves plans for the implementation or enhancement of procedures and policies where these are required, and otherwise ensures that appropriate steps are being taken to manage the key risks. Approved actions are implemented by senior managers who are accountable to the Board.

A number of risks have been managed in 2019/20, and further into 2020/21 improving the overall risk environment for YMCA EW. These have included risks in housing, VAT and future viability. As such, and prior to Covid-19 the overall risk environment had reduced given the actions taken by the Leadership Team. Of the current most significant risks, the majority to relate to Covid-19 and are as presented to the Board at their July 2020 meeting: Covid-19 has posed a number of very new and recent risks that only materialised towards the end of the financial year 2019/20. These risks are reflected in the YMCA EW Risk Register and are listed below (highlighted as the key red risks discussed):

RISK	ACTIONS BEING TAKEN
1	<p>Increase in pension deficit obligations with implications for solvency and liquidity</p> <p>Challenge and review through in next triennial valuation. Work of the pension reduction group, alongside strategic plan to ensure that future contributions affordable, will provide opportunity to further reduce the risk of the scheme.</p>
2	<p>Income is below expected levels across retail and fundraising. Investment in Fundraising does not achieve its objectives</p> <p>Regular management accounts showing financial performance. Close monitoring of income and expenditure levels. Fundraising investment strategy approved by Board with regular monitoring. Retail review with external benchmarking. Both currently performing well, with positive future projections for retail with further work on developing a 'partnership model' of fundraising.</p>
3	<p>Member YMCA sustainability and viability risk</p> <p>Ongoing work with Trustees and staff to identify way forward on a number of cases.</p>
4	<p>Reputational impact for YMCA Federation due to local YMCA issue</p> <p>Unable to prevent all possible instances of reputational risk but through greater proactive engagement with YMCAs better able to understand possible issues. Health check assists in this (work underway to revise) and ongoing work of Communications Team to ensure that YMCAs are briefed on how best to manage any reputational issues to ensure that any implications are managed.</p>

RISK	ACTIONS BEING TAKEN
5	<p>YMCAs not signing the Membership Agreement making links to the Commission / affiliation fee</p> <p>Ongoing work to engage with YMCAs to ensure that there exists an understanding of the Membership Agreement, and that (as noted at the AGM) there are no links to other work that should prevent Boards signing off the membership agreement.</p>
6	<p>Covid-19 – Financial Implications for YMCA England &amp; Wales</p> <p>Actions taken to manage implications of Covid-19 including high level financial modelling, detailed bottom up assessment across business areas, furlough of staff and access to Government grants. Operations, excluding Retail, have largely continued with cost reductions applied where appropriate in the light of changed environment</p>
7	<p>Covid-19 – Pensions Implications for YMCA England &amp; Wales and Federation</p> <p>Discussions with the Pensions Trustees to ensure the Covid-19 financial implications are understood including negotiated 3 month automatic deferral where cash flow / affordability is a concern and in relation to ensuring that the timing of the triennial valuation is reflective of the risks with Covid-19 (and is either brought forward or pushed back given regulatory requirements).</p>
8	<p>Covid-19 – Investment Implications for YMCA England &amp; Wales and Federation</p> <p>Prudent budgeting to take into account fall in values (2019/20) and also level of earned interest. Due to delay in placing funds with UBS, impact on CCLA unrestricted investments and restricted funds only. Full hit taken in 2019/20, with possibility of some 'up-side' in 2020/21 as markets return to some 'norm' (albeit recognising economic outlook)</p>
9	<p>Covid-19 – Financial Implications for YMCA Federation (with impact for YMCA EW)</p> <p>A number of mitigating controls have been put in place to support YMCA's across England &amp; Wales</p>

The full risk register is considered by the Finance, Audit and Risk Committee at every meeting, and by the Board annually. At other meetings the Board review the key (red) risks that have been highlighted through appraisal of cause / consequence.

The Trustees believe that the system of internal controls has been adequate to provide assurance against material misstatement or loss.

## PUBLIC BENEFIT STATEMENT

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The Board has considered the general guidance on public benefit issued by the Charity Commission and has taken due regard of that guidance and is satisfied that the charity's activities do provide wider public benefit. This is demonstrated in pages 6 to 18 of this report.

## FUNDRAISING STATEMENT

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Fundraising is an essential part of YMCA's activities to meet the increasing need for our services to young people. We endeavour to generate funds cost effectively, with respect and within guidelines of fundraising regulatory bodies.

YMCA England & Wales is committed to fundraising in a transparent way. Our supporter promise clearly outlines our guarantee to those who choose to support YMCA England & Wales.

### 1. We adhere to all industry guidelines and regulations

- ▶ We are registered with and regulated by the Fundraising Regulator (Membership Number: 000206)
- ▶ We are members of and adhere to the standards of the Institute of Fundraising (Membership Number: Z2043125).
- ▶ We require others acting on our behalf to adhere to the same standards and will take appropriate action promptly if we find any failure to do so.

### 2. We protect personal details and privacy

- ▶ We do not share, sell or rent anybody's personal information to third parties for marketing purposes, unless they have given us permission to do so;
- ▶ We do not call people who have registered with the Telephone Preference Service unless they have given us permission to do so;
- ▶ We do not carry out cold calling campaigns and we do not undertake street or door-to-door fundraising;
- ▶ We respect how individuals wish to be contacted. If they give us an instruction, we will always comply.

### 3. We are accountable

- ▶ Where we work with third party agencies we will provide training and monitor their work. We will act quickly if they do not meet the high standards we set;
- ▶ We monitor and log all comments, concerns or complaints, which we're pleased to say, are significantly lower than the charity sector average;
- ▶ YMCA England & Wales are constantly monitoring costs and expenditure. We never forget that donations are given to us in good faith to help young people and so we work hard to ensure they are used wisely.

If we make a mistake we will apologise and do everything we can to put things right. If you are unhappy with anything we've done, please contact us in the first instance on **020 7186 9518** or email: [supporterservices@ymca.org.uk](mailto:supporterservices@ymca.org.uk)

## MONITORING OF FUNDRAISING ACTIVITIES AND PROTECTING VULNERABLE PEOPLE

Our fundraising activities are overseen by our Finance and Audit Committee.

We closely monitor any complaints that we receive. During the reported year, we received just 10 complaints:

- ▶ Two people complained that they had received no acknowledgement of their gift;
- ▶ One person complained that they had received a telemarketing call;
- ▶ Four people complained that they had received too many money requests;
- ▶ Three people complained that their suggested donation amounts were too high.

Each of these complainants received a personal response, to apologise and to ensure that their communication preferences were updated in accordance with their wishes.

We have nothing to report in respect of failures and/or breaches referred to and upheld by, either the Information Commissioners Office or the Fundraising Regulator.

Our policy for working with vulnerable donors is regularly reviewed and updated. We are committed to ensuring that we treat donors respectfully at all times, taking special care to protect people who may find themselves in vulnerable circumstances.



# TRUSTEES REPORT

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## FINANCIAL REVIEW

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### FORMAT OF ACCOUNTS

As a Registered Social Landlord, YMCA England & Wales (YMCA EW) is governed by the regulations of the Statement of Recommended Practice issued by the National Federation of Housing Associations (the Housing SORP) and the Accounting Direction for Private Registered Providers of Social Housing from January 2019 (the Accounting Direction).

As a leading UK charity, our Board of Trustees has chosen to follow the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) (effective 1 January 2015) issued by the Charity Commission (the Charities SORP), so long as it does not conflict with the Housing SORP.

As a company limited by guarantee, we must follow the Companies Act 2006 and applicable accounting standards. To meet the terms of this Act, we have prepared a separate income and expenditure account. To comply with the Housing SORP and the Accounting Requirements of Private Registered Providers of Social Housing, this has been configured to separate the performance of housing and non-housing activities.

### CONSOLIDATION

In these accounts we have brought together the results of YMCA EW with:

#### **1. Our three connected subsidiary charities**

- ▶ Dunford House Trust, which owns Dunford House
- ▶ Douglas Wood Charity, which provides funding for agricultural training activities
- ▶ The YMCA Trust Fund (known as The Movement Trust Fund), which provides grants and loans to YMCAs.



## 2. Our subsidiary trading company (described in note 8 to the accounts)

In order to prevent a tax charge arising in the charity, the subsidiary trading company Gift Aid its surplus to YMCA EW. The performance of YMCA Retail Limited was considered to be satisfactory, given the current operating environment.

## 3. Restricted funds under the control of YMCA EW

Over time several trusts and funds have come under the stewardship of YMCA EW. Usually these were for buildings or were trusts with particular objectives, and most were not significant and have subsequently ceased to exist.

However, there are three groups of trusts that we continue to look after:

- ▶ Trusts that share our aims and objectives, which are added to the YMCA EW figures on the financial statements and include the subsidiary charities listed above;
- ▶ Instances where YMCA EW has been appointed to act as sole Trustee of a charity and we look after its assets (these are included in the financial statements as part of the restricted Trust and Association funds in note 14); and
- ▶ Instances where we have been appointed to act as Trustee but we have no financial relationship. This is usually because a YMCA cannot hold title deeds itself and YMCA EW holds them as trustee. As these are not the equitable property of YMCA EW, we do not include them in these financial statements.

## FUNDS AND RESERVES

Total reserves at 31 March 2020 were £6.7m (2019: £8.0m). a significant proportion of this reduction arises from the Covid-19 related fall in investments, which has already begun to return in 2020/21. Of these, the restricted funds of £2.1m (2019: £2.5m) are held for specific purposes and can only be used for these purposes. The remaining reserves of £4.6m (2019: £5.5m) are known as “unrestricted” funds.

### Unrestricted funds

The 2020 accounts show net expenditure on unrestricted funds of £0.24m (2019: net income £1.0m), before the adjustments for revaluation and pension scheme deficit obligations.

### Free Reserves

These are funds that the Board is free to use to support our charitable work. Some of these funds are held in the form of fixed assets (land, buildings and equipment) and part is represented by the pension deficit due after one year. The unrestricted funds available at short notice are known as the “free reserves”.

YMCA EW’ Board of Trustees aims to hold sufficient free reserves to provide financial stability when considering the key areas of risk. The Free Reserves at March 2020 were £2.5m (2019: £3.7m) against the target level of £3.4m (see note 15 for a breakdown of free reserves). A significant part of this decrease is due to the reduction in investment values during March 2020 arising from the impact of Covid-19. As investment values recover so will the level of free reserves and have already done so during 2020/21.

## Restricted funds

While still meeting our wider charitable objectives, there is some funding that has restrictions on how it can be spent. The principle restricted funds are listed below:

- ▶ Dunford House, which has its own Trust – all surpluses generated by the work of Dunford House are added to the Trust. Discussions are under way to dispose of Dunford House with balances recovered from sale of the asset which is underway
- ▶ YMCA EW activities – monies given to us to support specific activities either at local YMCAs or within YMCA EW
- ▶ The Movement Trust Fund, the Hartwoodside Award and the Douglas Wood Charity – these funds provide grants and loans for YMCA work
- ▶ Other Trust and Association Funds – these are funds we hold on behalf of YMCAs that have closed or when we hold assets on behalf of a specific Trust (not already listed above).

## Movement in restricted funds during the year

Restricted funds decreased by £0.3m during the year (2019: increased by £0.2m). The main item is due to a £0.2m decrease in investment values. The movement during the year on each of our restricted funds is described in more detail in note 14 of these accounts.

## GOING CONCERN

In line with current best practice, the Board has reviewed the financial impact of those risks identified as part of YMCA EW's ongoing risk management process and its going concern status. As part of this review, the following have been considered:

- ▶ Forecasts and cash flows for future years' income
- ▶ Forecasts and cash flows for future years' expenditure
- ▶ Future needs, opportunities, contingencies and/or risks

The Board have reviewed the above and are of the view that YMCA EW has sufficient assets to enable future obligations to be met, and therefore continues to operate as a going concern. Further details in relation to the income and expenditure of YMCA for the year are set out in detail in the Statement of Financial Activities (SoFA) on page 44.

## REVIEW OF 2019/20 FINANCIAL PERFORMANCE

The annual accounts are showing a (£1.3m) net deficit for the year (2019: net increase of £0.8m) of which (£0.7m) arises from falls in investment values and (£0.2m) from the pension deficit. The operational performance is a deficit of (£0.4m) (2019: surplus £1.0m) which includes (£0.25m) for the National Campaign to raise awareness of the YMCAs work with young people and (£0.07m) for impact measurement work, as well as distributions to the Federation (£0.54m). Without these YMCA EW would have delivered a surplus for the year as reflected in the operational performance. Expenditure has fallen following the transfer of housing operations to the local YMCAs.

With our primary focus to support and represent member YMCAs, we are increasingly dependent on our fundraising activities, especially our charity shops, to enable us to carry out this important role. We are very grateful for the commitment, hard work and contribution of all our staff and volunteers.

## Income

Total income was £14.4m (2019: £16.2m of which £0.6m arose from gains on the sale of housing assets to local YMCAs). This reduction reflects the further disposal of housing stock, that would otherwise have generated an income (with reduced housing income of £0.2m (down from £1.2m in 2019)). This is consistent with the approved strategy of divesting housing assets, and transferring these to local associations. During the year the last housing scheme was sold to a local YMCA and therefore YMCA EW no longer has any direct housing services. Income from our charity shops continued to increase (from £8.8m in 2019 to £9.6m in 2020).

Affiliation fee income from member YMCAs increased slightly from £0.87m to £0.9m. This continues to be a vital source of unrestricted funding.

### Expenditure

Total expenditure was £14.8m (2019: £15.2m), the reduction largely due to the reduced housing activity (down to £0.2m from £1.4m in 2019). Expenditure of £9.5m (2019: £8.6m) arose from costs of the charity shops, including provisions for future dilapidation costs. Fundraising activity and support / representation for member YMCAs accounted for most of the remaining expenditure.

We distributed £0.5m (2019: £1.0m) to member YMCAs during the year to support their work with and for young people. The decrease arises from the donation of two properties to local YMCAs in the previous year. This figure continues to be supplemented by the broad range of additional services provided to member YMCAs by YMCA EW departments as well as support in relation to local fundraising activities where funds are remitted directly.

### Looking ahead

The position in relation to reduced income was consistent with the strategy to divest of housing assets. As noted above, the impact of Covid-19 has been significant. Whilst YMCA EW has reserves that will enable the challenges presented by Covid-19 to be overcome, the impact of the virus will be significant in the current financial year given the loss of retail income (although it is hoped that investment value return in year offsetting some of the losses in 2019/20 as well as the provision of the Retail, Hospitality and Leisure Grants from Government). A key challenge however remains in relation to provide support to the wider Federation to enable it to survive the current situation. As described above, YMCA EW has responded to assist local YMCAs suffering from the impact of Covid-19 by allowing a three month affiliation fee holiday and utilising the Movement Trust Fund / Douglas Wood funds to make emergency response payments to local YMCAs experiencing difficulties. This will therefore impact on the outturn for 2020/21.

### Grant making policy

The Movement Trust Fund administers three funds from which grants are made:

- ▶ The YMCA Trust fund provides grants to YMCAs in England or Wales to start new projects
- ▶ The Hartwoodside Award gives grants to YMCAs to help disabled staff or volunteers to take part in activities such as training courses or conferences
- ▶ The Douglas Wood Charity gives grants to young people to train in agriculture, horticulture, farming, environmental protection or other similar activities.

### Investment policy and performance

Free unrestricted reserves were held in cash on short-term deposit but with interest rates so low, during the year £7m was invested with investment managers. Unfortunately the impact of Covid-19 resulted in a significant fall in market values, part of which has been recovered in 2020/21. Further investments will be made as the cash-flow consequences of Covid-19 are managed into 2020/21. The majority of our restricted funds are held in a portfolio of common investment funds as detailed in note 7.

## OUR APPROACH TO VALUE FOR MONEY

YMCA England has limited resources and it is important that we derive the maximum benefit from these. Value for Money (“VfM”) is concerned with not only reduced costs, but rather maximising the benefit from the resources at our disposal to achieve our desired outcomes. In this respect we are conscious of the principles of economy, efficiency and effectiveness and strive to ensure that these underpin the decisions that we make when using resources to maximise impact for our beneficiaries. The full annual Value for Money statement which is available on our website: [ymca.org.uk/value-for-money-2020](https://ymca.org.uk/value-for-money-2020)

Value for Money is led by the Board and overseen by our Finance and Audit Committee. Value for money is viewed as the key to financial sustainability as we optimise cost relative to outcomes, and seek to maximise impact with scarce resources. The Board is responsible for setting and monitoring the value for money through oversight of the annual plan and receives performance updates at each of their meetings, and reports on the consumption of resources. The Board holds an annual strategy session at their November residential meeting, which informs the development of the plans and budget for the following year. The following provide a brief overview of some of the measures that are used to inform the Boards assessment. The five key components of our value for money strategy are:

- ▶ Governance – to develop a Board led value for money culture within YMCA EW with all staff encouraged to accept ownership and accountability for achieving it
- ▶ Customer focus – to ensure that the services we provide are shaped around the needs of our members

- ▶ Performance – to ensure that staff understand their objectives and the right things are measured
- ▶ Financial stewardship – setting budgets understanding our cost base and sources of income and to report performance against these budgets. To optimise the use of assets
- ▶ Procurement – buying goods at the optimum price/quality mix.

The above measures relate to the direct work within the remit / control of YMCA EW. However, there are wider opportunities for driving value for money across the Federation – some of which have been implemented where considered appropriate e.g. insurance, group life, VAT advice, payroll and human resources. There remains however significant scope to further maximise value for money across the Federation and through the work on the YMCA EW business model a number of opportunities were identified. It is hoped that further progress can be made on collaborative opportunities moving forward.

# CORPORATE GOVERNANCE STATEMENT

## STRUCTURE, GOVERNANCE AND STAFF

### YMCA EW

The first YMCA was founded by George Williams in London in 1844. YMCA England was established in 1882, registered as a charity on 24 September 1962 and took over responsibility for YMCAs in Wales on 3rd December 2015. YMCA EW is a company limited by guarantee (incorporated in 1902), a registered social landlord and a registered charity governed by its Memorandum and Articles of Association.

### A worldwide movement of YMCAs

Each YMCA in England and Wales is an individual, self-governing charity that affiliates to YMCA EW. Through this affiliation, YMCAs become part of the YMCA Movement in England and Wales, and part of the World Alliance of YMCAs.

### Governance

The Board of Trustees guides YMCA EW in its work and development. It provides strategic leadership to the Senior Leadership Team which is responsible for decisions on operational issues. The Board comprises no more than 12 Trustees elected by members and 3 co-options – not more than 15 in total. Trustees serve for a three-year term and may be re-elected for two further three year terms. Once a Trustee has served his or her full term, they must wait one year before they can stand for re-election. We hold elections to fill vacancies once a year. Applications for Board membership are invited from across the YMCA Movement and by external advertisement and are considered by the Nominations Committee based on relevant skills, competencies and experience.

YMCA EW continually seeks to improve and strengthen its governance duties to ensure these are fit for purpose. YMCA EW has adopted the National Council for Voluntary Organisations Code of Governance.

The Board confirms that YMCA EW fully complies with the Regulator of Social Housing Governance and Financial Viability Standard.

During 2019/20, six new Trustee appointments were made to the Board. A full listing can be seen on page 35. YMCA EW has purchased Trustee indemnity insurance.

### Committee Structure

During the year the Board of Trustees had four Committees. These were:

1. The Finance, Audit and Risk Committee which oversees the management and direction of the finances of YMCA EW, monitors the effectiveness of internal and external audit and reviews our risk management processes. Key financial decisions are submitted to the Finance, Audit and Risk Committee for consideration.
2. The Constitution Task Group provides advice on the governance of the National Council and on governance issues for the YMCA Federation in England and Wales.
3. The Board Development Committee is designed to ensure a leading edge governing Board that adheres to high quality governance principles.
4. The Movement Trust Fund Committee recommends to the trustees grants to member YMCAs from the trust funds. This Management Committee ceased operation following the AGM in December 2019 and the fund continues to be held in Trusteeship by the National Council of YMCAs (Incorporated).

These committees comprise members from the Board of Trustees, members from local YMCAs, plus independent persons with specialist expertise. All the above have terms of reference and meet regularly.

### Board member's induction and development

An induction session is held for all new Board appointments. In addition, each new Board member receives the Board member's handbook giving background on the operations of YMCA EW. Where appropriate, Board members are encouraged to visit the work of YMCA EW and that of the Federation in order to develop understanding.

### Organisation structure

YMCA EW has premises in all parts of the country in order to deliver our retail operations. The members of staff based in London operate from the central London office which moved to Charterhouse Square in August 2016. During the year our operations were organised into divisions, each headed by a Director:

- ▶ Chief Executive's Office supports the Board and coordinates the activity of YMCA EW.
- ▶ Corporate Resources covering:
  - Company Secretary providing support to the Board and member YMCAs on all aspects of charity governance;
  - Finance provides internal services to ensure that YMCA EW operates efficiently and meets regulatory requirements;
  - Human Resources is responsible for implementing strategies and policies relating to the management of individuals throughout YMCA EW;
  - IT supports the infrastructure used by YMCA EW
  - Housing acts as a registered housing provider and supports member YMCAs in the management of our social housing schemes
  - Administration supporting the staff of YMCA EW
  - Health and safety: review the health and safety aspects of YMCA EW operations and reporting to the Board and senior management
- Movement Services provides support, advice and guidance to YMCAs in areas such as HR and governance.
- ▶ Income Generation covering
  - Fundraising raises funds for YMCA EW and the YMCA Movement as well as providing fundraising advice and support to member YMCAs.
  - Retail operates the YMCA EW charity shops, raising funds to support the work of YMCA EW and member YMCAs via the profit sharing arrangement.
  - Business Development explores, coordinates and manages business and funding opportunities to benefit the Federation.
- ▶ Policy, Research, Communications and International covering
  - Policy and Research raises the public profile of YMCA through work with national and local government and works to influence key decision makers.
  - Communications and Brand manages the YMCA national brand and develops communications for both member YMCAs and YMCA EW. The team manages the YMCA EW website, supports member YMCAs to develop their own websites and manages social media channels for YMCA EW. It also has responsibility for national media and PR and provides advice and support to member YMCAs on media relations and crisis communications.
  - International represents the YMCAs in England and Wales at the European and World Alliance of YMCAs.

## Staff and volunteers

YMCA EW relies on the skills and dedication of its staff throughout England and Wales and across all of our activities. The Chief Executive holds a monthly consultation for staff on topical issues and regular updates for staff are provided via our intranet site.

The average number of staff we employed during 2020/21 was 320 (2018/19: 281). The increase is due to the increased turnover in the shops, with shops open for longer with in addition a small increase in the number of charity shops. Note 3.5 gives more detail on employee costs and staff numbers whilst note 3.6 gives details of the expenses reimbursed to trustees and senior staff.

YMCA EW need to employ staff with the right skills for their role. Salaries offered are usually significantly lower than those available for comparable roles in the commercial or public sectors, and at the lower quartile of roles in the charity sector. This differential becomes more marked at senior levels although a deliberate effort of moving staff close to the medium of the charity sector has been a strategy in recent years, in order to ensure that YMCA EW recruit and retain the very best. The Chief Executive earned £108k pa plus pension contributions of £19k for the year. The majority of our staff (over 80% based on headcount) work part-time in the Retail operation where salaries are set based on the minimum wage. We have implemented the National Living Wage, and intend to increase this further as financial results allow, continuing to follow Government guidelines in this area. For the remaining staff the average salary is £40,434, giving a remuneration ratio of 2.7 to the Chief Executive (2019: average salary was £40,940 with a remuneration ratio of 2.4).

Inevitably Covid-19, and the temporary closure of the retail operation has posed a number of challenges for YMCA EW. Throughout decision making the impact on staff welfare has been a key concern and we have been delighted that to date we have not only manage to retain staff salaries (in particular ensuring those within our retail operation and furloughed have been able to continue to manage) and avoid large scale redundancies. We continue to be mindful of the impact of Covid-19 on our staff and will endeavour to ensure decisions are made that balance the need to ensure a viable YMCA EW going forward alongside the welfare of our staff.

Finally we owe a huge debt of gratitude to the efforts of our volunteers, whose energy and commitment is vital to our work. The majority, 854 (2019: 916) during the year, contributing over 25,000 hours per month, are based in YMCA EW shops around the country. Others are involved in fundraising, raising awareness of our work at public events and contributing to our governance on the Board, committees, panels and advisory groups.

## Equality, diversity and inclusion

Inclusiveness is fundamental to the ethos of the YMCA Movement. We have a wholehearted commitment to welcome people of other faiths and those of none, linked to a confident identity as a Christian faith-based organisation. This includes ensuring that diversity is reflected strongly within our structures and that the services and activities managed by YMCA EW are designed to provide equal opportunities – with the Board and leadership team undertaking unconscious bias training.

Salaries are based on the role regardless of the gender of the person performing the duties. YMCA England & Wales operates a staff grading system for all roles, where points are allocated based on the skills and responsibility of each role which determines the salary level for that role. Salary levels for each grade are set by benchmarking against other voluntary sector organisations. As we have more than 250 staff we are required to give our gender pay analysis in the statutory format, as at 5 April 2020:

PAY LEVEL	EMPLOYEES	
	MALE	FEMALE
Number of employees	107	223
Quartile 1 (highest)	40%	60%
Quartile 2	30%	70%
Quartile 3	28%	72%
Quartile 4 (lowest)	33%	67%
Average hourly rate	£13.59	£11.02
Median hourly rate	£9.12	£9.12

As is shown in the table above, two thirds of the staff working for YMCA EW at April 2020 were female. In addition over 80% of the staff employed by YMCA EW work in Retail (many of whom welcome the ability to work part-time) and consequently means that a more significant percentage of staff fall within the lower quartile bands. As a consequence the above analysis is distorted and it is more meaningful to separate out the results of Retail staff from non-Retail staff which provides for the following analysis:

PAY LEVEL	RETAIL EMPLOYEES		NON-RETAIL EMPLOYEES	
	MALE	FEMALE	MALE	FEMALE
Quartile 1 (highest)	15%	23%	25%	37%
Quartile 2	29%	69%	1%	1%
Quartile 3	28%	72%	-	-
Quartile 4 (lowest)	33%	67%	-	-
Average hourly rate	£10.26	£9.40	£27.23	£21.06
Median hourly rate	£8.72	£8.70	£27.40	£18.64

The above analysis is further explained below.

- ▶ Two thirds of the staff working for YMCA England & Wales are female
- ▶ In every pay quartile YMCA England & Wales employs more women than men (which is common throughout the voluntary sector). This is partly due to the range of family friendly and flexible working policies available to staff. The pay disparity shown in the table is largely due to the relatively low number of male employees
- ▶ As at April 2020, there were 4 people on the Senior Leadership Team of which 2 were female and 2 male
- ▶ Over 80% of our staff work in the retail operation. Hourly rates for the Retail staff have been increased and as from March 2020 the lowest level is above the rates required by the National Living Wage.

Every role within YMCA EW is benchmarked and considered against the market. YMCA EW ensures its assessment of salaries is undertaken against a robust job evaluation process and consistent with our range of policies that ensure fair recruitment. This job evaluation process is to be reviewed during 2020/21. We continue to review the implications of our gender pay gap statement and specifically the gender balance of staffing across the organisation – in particular at the higher quartiles.

YMCA EW has given cost of living increases over the last 5 years of 2% (2019/20), 2% (2018/19), 2% (2017/18), nil (2016/17), and 1% (2015/16). In view of the financial situation caused by Covid-19 there were no increases at April 2020.

Our equality, diversity and inclusion strategy includes developing training and learning opportunities for our staff and volunteers. We consult many of our stakeholders to obtain feedback on how we are performing.



### Employment of disabled persons

We operate an equal opportunities employment policy. In particular, we give full and fair consideration to applications for employment and volunteering made by people who are disabled having regard to their particular aptitudes and abilities. Where possible, we continue the employment of, and arrange appropriate training for, employees who have become disabled during the period they were employed. People who are disabled are treated in the same way as other employees and volunteers when training, career development and promotion opportunities are being considered. Full details of these and our other policies are available on request from our registered office.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the strategic report, the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company and social housing regulations require the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and parent charity and of the surplus or deficit of the group for the year. In preparing those financial statements the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Make judgements and accounting estimates that are reasonable and prudent

- ▶ State whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice: Accounting by registered providers of social housing 2014, 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable us to ensure that the financial statements comply with the requirements of the Companies Act 2006, Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing from January 2019. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

Financial statements are published on YMCA EW's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of this website is the responsibility of the board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Members of the Board of Trustees**

The members of the Board of Trustees who served during the year, including the Chairman, Vice Chair and the Senior Leadership Team are listed on pages 35 and 36.

### **Appointment of auditors**

The Finance, Audit and Risk Committee agree the audit strategy each year during which they assess the independence of external auditors.

External audit services are placed out to tender every five years. This fell due during the year and Crowe U.K. LLP were appointed as auditors.

### **Disclosure of information to auditors**

Each of the Board members (who are also Trustees and directors of YMCA EW) has confirmed that so far as they are aware, there is no relevant audit information of which the auditors are unaware, and that they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Strategic and Trustee reports were approved by the Board of Trustees on 23 September 2020 and signed on its behalf by

**Reg Bailey CBE**  
Chair,  
YMCA England & Wales

## TRUSTEES AND ADVISORS

**President:** Dr John Sentamu,  
Archbishop of York

**Vice-presidents:** Rev'd Chris Poulard  
(resigned December 2019)

Tim Waldron

Val Wallis MBE<sup>3</sup>

Peter Posner OBE

### BOARD MEMBERS:

▶ Reg Bailey CBE<sup>2</sup> Chair

▶ Graham Bratby<sup>1</sup>

▶ Peter Calderbank<sup>1</sup> Chair of Finance,  
(Co-opted) Audit and Risk  
Committee

▶ Maxine Green

▶ Ross Hendry  
(appointed December 2019)

▶ Martin Houghton-Brown Vice-Chair  
(resigned December 2019) (to December  
2019)

▶ Paul Laffey

▶ Jemima Lovett  
(appointed December 2019)

▶ Ian North <sup>4</sup>  
(resigned December 2019)

▶ Jonathan Rowe  
(appointed December 2019)

▶ Hanna Seabright  
(appointed December 2019)

▶ Gillian Sewell  
(appointed December 2019)

▶ Dawn Ward CBE  
(appointed December 2019)

▶ Emma White Vice-Chair  
(Osmundsen)<sup>4</sup> (from January  
2020)

### Membership of divisional boards, committees, panels and advisory groups during the year ended March 2020:

1. Finance, Audit and Risk Committee  
(2 Board members plus 7 independent members)
2. Constitution Committee  
(Chair of the Board plus 5 independent members)
3. Archives Group  
(a Vice-President plus 4 independent members)
4. Board Development Committee  
(3 Board members plus 3 independent members)

All members of the Board and its committees and groups give their time voluntarily and receive no benefits from YMCA England & Wales. Any expenses reclaimed are set out in note 3.6 to the accounts.

## ADVISORS

### **Auditors:**

Crowe U.K. LLP  
55 Ludgate Hill  
London EC4M 7JW

### **Bankers:**

Lloyds Bank plc  
4th Floor,  
25 Gresham Street,  
London, EC2V 7HN

Barclays Bank plc  
Charities Team, Level 27  
1 Churchill Place  
London E14 5HP

### **Solicitors:**

Bates, Wells & Braithwaite LLP  
10 Queen Street Place,  
London EC4R 1BE

EDC Lord & Co  
One The Square  
Southall Lane, Southall  
Middlesex, Heathrow UB2 5NH

## SENIOR STAFF

### **Chief Executive and National Secretary of the Council of YMCAs in England and Wales:**

Denise Hatton

### **Senior Leadership Team:**

Jo Chettleburgh, Director of Income Generation  
Jamie Hutchinson, Director of Resources  
Jason Stacey, Director of Policy, Research,  
Communications and International

### **Company Secretary:**

Duncan Berry

### **Registered Office**

3rd Floor  
10–11 Charterhouse Square  
London EC1M 6EH

**Registered charity number:** 212810

**Registered company number:** 73749

**Homes England agency number:** LH2204



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS  
OF THE NATIONAL  
COUNCIL FOR  
YOUNG MEN'S  
CHRISTIAN  
ASSOCIATIONS  
(INCORPORATED)

## OPINION

We have audited the consolidated financial statements of the National Council for Young Men's Christian Associations (Incorporated) for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated and Parent Balance Sheets, the Consolidated and Parent 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 the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2015.

## BASIS FOR OPINION

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

## CONCLUSIONS RELATING TO GOING CONCERN

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

- ▶ the 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 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 our audit:

- ▶ the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' 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:

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

## RESPONSIBILITIES OF THE BOARD MEMBERS

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As explained more fully in the trustees' responsibilities statement set out on page 33, 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 or the 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 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

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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:

[frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities)

This description forms part of our auditor's report.



## USE OF OUR REPORT

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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.

Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London, UK

12 November 2020



# FINANCIAL STATEMENTS

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## YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2020

	Note	2020			2019		
		UNRESTRICTED £'000	RESTRICTED £'000	TOTAL £'000	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL £'000
<b>INCOME FROM</b>							
Donations and legacies	2.1	3,095	125	3,220	3,474	850	4,324
Affiliation fees	2.2	900	-	900	873	-	873
Income from charitable activities	2.3	358	103	461	1,414	20	1,434
Income from trading activities	2.4	9,644	-	9,644	8,843	-	8,843
Investments, interest and rental income	2.5	132	64	196	119	60	179
(Loss) profit on disposal of fixed assets	2.6	(2)	-	(2)	578	-	578
<b>TOTAL INCOME</b>		<b>14,127</b>	<b>292</b>	<b>14,419</b>	<b>15,301</b>	<b>930</b>	<b>16,231</b>
<b>EXPENDITURE FROM</b>							
Costs of raising funds	3.1	1,389	-	1,389	1,345	-	1,345
Expenditure on charitable activities	3.2	3,399	436	3,835	4,379	877	5,256
Operating costs of trading activities	3.3	9,583	-	9,583	8,571	-	8,571
<b>TOTAL EXPENDITURE</b>		<b>14,371</b>	<b>436</b>	<b>14,807</b>	<b>14,295</b>	<b>877</b>	<b>15,172</b>
<b>NET (EXPENDITURE) INCOME FOR THE YEAR</b>		<b>(244)</b>	<b>(144)</b>	<b>(388)</b>	<b>1,006</b>	<b>53</b>	<b>1,059</b>
Net (losses) gains on investments	7.	(501)	(189)	(690)	-	107	107
Other recognised gains and losses:							
Impairment of housing assets		-	-	-	(120)	-	(120)
(Losses) on defined benefit pension schemes		(203)	-	(203)	(228)	-	(228)
<b>NET MOVEMENT IN FUNDS</b>		<b>(948)</b>	<b>(333)</b>	<b>(1,281)</b>	<b>658</b>	<b>160</b>	<b>818</b>
Reconciliation of funds							
Fund balances at 1 April		5,503	2,451	7,954	4,845	2,291	7,136
<b>FUND BALANCES AT 31 MARCH</b>		<b>4,555</b>	<b>2,118</b>	<b>6,673</b>	<b>5,503</b>	<b>2,451</b>	<b>7,954</b>

### COMMENTARY:

The reduction in reported income for the year arises from reduced fundraising income (last year included two donated properties) and also the sale of the last housing scheme (within the Federation) during the year.

The cost of raising funds includes investment in recruiting new donors to support our on-going work. Charitable expenditure focuses on supporting member YMCAs and includes the cost of the National Campaign to raise awareness of the YMCA's work. This heading also includes payments to member YMCAs (including programmes conducted via member YMCAs) of £0.54m (2019: total £1m), the decrease due to the donated properties in the previous year.

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 48 to 64 form part of these accounts.

Excluding the sale of fixed assets, YMCA England & Wales is reporting an operating deficit on general funds of £0.24m for the year (2019: operating surplus £0.5m). This includes the National Campaign and maintaining services provided to the Federation despite the reduction in income.

To become sustainable, it is recognised that YMCA England & Wales needs to ensure that our annual income regularly exceeds annual expenditure and this is being addressed by reviewing our operating model to ensure that we continue to meet the changing needs of our member YMCAs.

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 March 2020

Note	31 March 2020				GROUP TOTAL £'000	PARENT £'000	31 March 2019				GROUP TOTAL £'000	PARENT £'000	
	Housing operations Continuing £'000	Housing operations Discontinued £'000	Non-housing operations £'000	Non-housing Discontinued £'000			Housing operations Continuing £'000	Housing operations Discontinued £'000	Non-housing operations £'000	Non-housing Discontinued £'000			
Income	5.1	-	173	14,047	5	14,225	14,153	550	675	14,244	5	15,474	15,464
Operating Costs	5.1	-	(179)	(14,498)	(108)	(14,785)	14,742	(596)	(601)	(13,866)	(87)	(15,150)	(15,140)
<b>Operating (deficit) surplus</b>		-	(6)	(451)	(103)	(560)	589	(46)	74	378	(82)	324	324
Investment income	4.	-	-	91	-	91	91	-	-	60	-	60	60
Interest and rents receivable	4.	49	-	56	-	105	105	54	-	65	-	119	119
Interest payable	4.	-	-	(22)	-	(22)	(22)	-	-	(22)	-	(22)	(22)
Profit on sale of assets		-	(2)	-	-	(2)	(2)	-	578	-	-	578	578
Net gains on investment assets		-	-	(690)	-	(690)	(690)	-	-	104	3	107	107
Impairment of housing assets		-	-	-	-	-	-	-	(120)	-	-	(120)	(120)
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>49</b>	<b>(8)</b>	<b>(1,016)</b>	<b>(103)</b>	<b>(1,078)</b>	<b>1,107</b>	<b>8</b>	<b>532</b>	<b>585</b>	<b>(79)</b>	<b>1,046</b>	<b>1,046</b>
(Losses) on defined benefit pension schemes						(203)	(203)					(228)	(228)
<b>TOTAL COMPREHENSIVE INCOME FOR YEAR</b>						<b>(1,281)</b>	<b>1,310</b>					<b>818</b>	<b>818</b>

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	General £'000	Revaluation £'000	Pension £'000	Unrestricted Funds £'000	Restricted Funds £'000	TOTAL £'000
Surplus (deficit) at 31 March 2018	7,309	6,063	(8,527)	4,845	2,291	7,136
Net income (expenditure) for the year	4,932	(4,994)	948	886	53	939
Net gains on investments	-	-	-	-	107	107
Other recognised gains and losses	-	-	(228)	(228)	-	(228)
<b>Surplus (deficit) at 31 March 2019</b>	<b>12,241</b>	<b>1,069</b>	<b>(7,807)</b>	<b>5,503</b>	<b>2,451</b>	<b>7,954</b>

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	General £'000	Revaluation £'000	Pension £'000	Unrestricted Funds £'000	Restricted Funds £'000	TOTAL £'000
Surplus (deficit) at 31 March 2019	12,241	1,069	(7,807)	5,503	2,451	7,954
Net income (expenditure) for the year	(150)	(1,069)	975	(244)	(144)	(388)
Net gains on investments	(501)	-	-	(501)	(189)	(690)
Other recognised gains and losses	-	-	(203)	(203)	-	(203)
<b>Surplus (deficit) at 31 March 2020</b>	<b>11,590</b>	<b>-</b>	<b>(7,035)</b>	<b>4,555</b>	<b>2,118</b>	<b>6,673</b>

### COMMENTARY:

This page shows the results for YMCA England & Wales in the format required by the Companies Act 2006. It also separates the result of housing activities from the result of non-housing activities as required by the Accounting Direction for Registered Providers of Social Housing in England. During

the year YMCA England & Wales sold its final housing scheme which is shown within housing discontinued activities and agreed the sale of Dunford House (shown within non-housing discontinued items above).

The notes on pages 48 to 64 form part of these accounts.

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### BALANCE SHEETS

Year ended 31 March 2020

	Note	31 March 2020				31 March 2019			
		Unrestricted Funds £'000	Restricted Funds £'000	GROUP TOTAL £'000	PARENT £'000	Unrestricted Funds £'000	Restricted Funds £'000	GROUP TOTAL £'000	PARENT £'000
<b>FIXED ASSETS</b>									
Tangible Assets:									
Housing assets	6.1	-	-	-	-	1,100	-	<b>1,100</b>	1,100
Other tangible assets	6.2	686	141	<b>827</b>	827	508	145	<b>653</b>	653
Fixed asset investments	7.	6,499	1,818	<b>8,317</b>	8,317	-	2,007	<b>2,007</b>	2,007
Investments in subsidiaries	8.	-	-	-	1	-	-	-	1
		<u>7,185</u>	<u>1,959</u>	<u><b>9,144</b></u>	<u>9,145</u>	<u>1,608</u>	<u>2,152</u>	<u><b>3,760</b></u>	<u>3,761</u>
<b>CURRENT ASSETS</b>									
Stocks	9.1	167	-	<b>167</b>	167	139	-	<b>139</b>	136
Donated properties	9.2	-	-	-	-	410	-	<b>410</b>	410
Debtors	10.								
Due within one year		2,070	69	<b>2,139</b>	2,193	1,676	59	<b>1,735</b>	1,809
Due after one year		1,353	-	<b>1,353</b>	1,353	1,280	-	<b>1,280</b>	1,280
Short-term deposits		71	201	<b>272</b>	272	10,086	326	<b>10,412</b>	10,412
Cash and cash equivalents		3,491	472	<b>3,963</b>	3,916	1,435	457	<b>1,892</b>	1,807
		<u>7,152</u>	<u>742</u>	<u><b>7,894</b></u>	<u>7,901</u>	<u>15,026</u>	<u>842</u>	<u><b>15,868</b></u>	<u>15,854</u>
CREDITORS: Amounts falling due within one year	11.	(2,888)	(583)	<b>(3,471)</b>	(3,479)	(3,560)	(543)	<b>(4,103)</b>	(4,090)
<b>NET CURRENT ASSETS</b>		<u>4,264</u>	<u>159</u>	<u><b>4,423</b></u>	<u>4,422</u>	<u>11,466</u>	<u>299</u>	<u><b>11,765</b></u>	<u>11,764</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,449</u>	<u>2,118</u>	<u><b>13,567</b></u>	<u>13,567</u>	<u>13,074</u>	<u>2,451</u>	<u><b>15,525</b></u>	<u>15,525</u>
CREDITORS: Amounts falling due after one year	12.	-	-	-	-	(6)	-	<b>(6)</b>	(6)
Provisions for liabilities	12.2	(613)	-	<b>(613)</b>	(613)	(734)	-	<b>(734)</b>	(734)
Pension scheme obligations	13.1	(6,281)	-	<b>(6,281)</b>	(6,281)	(6,831)	-	<b>(6,831)</b>	(6,831)
<b>NET ASSETS</b>		<u>4,555</u>	<u>2,118</u>	<u><b>6,673</b></u>	<u>6,673</u>	<u>5,503</u>	<u>2,451</u>	<u><b>7,954</b></u>	<u>7,954</u>
The funds of the charity:									
Restricted Funds	14.	-	2,118	<b>2,118</b>	2,118	-	2,451	<b>2,451</b>	2,451
Unrestricted Funds:	15.								
- General reserve		11,590	-	<b>11,594</b>	11,590	12,241	-	<b>12,241</b>	12,241
- Revaluation of housing assets		-	-	-	-	1,069	-	<b>1,069</b>	1,069
- Pension reserve		(7,035)	-	<b>(7,035)</b>	(7,035)	(7,807)	-	<b>(7,807)</b>	(7,807)
		<u>4,555</u>	<u>2,118</u>	<u><b>6,673</b></u>	<u>6,673</u>	<u>5,503</u>	<u>2,451</u>	<u><b>7,954</b></u>	<u>7,954</u>

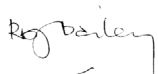
### COMMENTARY:

The housing assets have been sold to the managing agents at existing use valuation less a 45% discount. Part of the sale proceeds have been invested with the remainder being held

at bank for short-term cash flow (prior year shown within short-term deposits). Post yearend further amounts have been placed onto investments.

These accounts were approved and authorised for issue by the Board on 23 September 2020.

The notes on pages 48 to 64 form part of these accounts.



**Reg Bailey CBE**  
Chair,  
YMCA England & Wales



**Peter Calderbank**  
Trustee,  
YMCA England & Wales

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### STATEMENT OF CASH FLOWS

Year ended 31 March 2020

	31 March 2020		31 March 2019	
	Group £'000	Parent £'000	Group £'000	Parent £'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>				
Net (expenditure) income for the year	(388)	(388)	1,059	1,059
Loss (profit) on disposal and remodelling of fixed assets	39	39	(536)	(536)
Depreciation charge	310	310	289	289
Return on investments and servicing of finance	(174)	(174)	(154)	(154)
(Increase) decrease in stocks	(28)	(31)	-	3
Decrease (increase) in donated properties	410	410	(410)	(410)
(Increase) in debtors	(477)	(457)	(283)	(264)
(Decrease) increase in creditors and deferred creditors	(503)	(482)	1,121	1,104
<b>NET CASHFLOW GENERATED FROM OPERATING ACTIVITIES</b>	<b>(811)</b>	<b>(773)</b>	<b>1,086</b>	<b>1,091</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>				
Unrestricted fund investments:				
Funds placed into investments	(7,000)	(7,000)	-	-
Trust & Association and Movement Trust Fund investments:				
Decrease (increase) in funds on short term deposit	125	125	(11)	(11)
Investment income	91	91	60	60
Interest received	105	105	116	116
	(6,679)	(6,679)	165	165
Cash inflow from sale of housing assets	1,100	1,100	7,292	7,292
Cash (outflow) from purchase of other fixed assets	(523)	(523)	(349)	(349)
<b>NET CASHFLOW FROM INVESTING ACTIVITIES</b>	<b>(6,102)</b>	<b>(6,102)</b>	<b>7,108</b>	<b>7,108</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of fixed asset loans	(34)	(34)	(35)	(35)
Interest paid	(22)	(22)	(22)	(22)
Pension deficit payments	(975)	(975)	(948)	(948)
Funds removed from (placed on) short term deposit	10,015	10,015	(10,016)	(10,016)
<b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>8,984</b>	<b>8,984</b>	<b>(11,021)</b>	<b>(11,021)</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,071</b>	<b>2,109</b>	<b>(2,827)</b>	<b>(2,822)</b>
Cash at bank and in hand at 1 April	1,892	1,807	4,719	4,629
<b>Cash at bank and in hand 31 March</b>	<b>3,963</b>	<b>3,916</b>	<b>1,892</b>	<b>1,807</b>

#### ANALYSIS OF CHANGES IN GROUP NET DEBT

	At 31 March 2020 £'000	Cashflows arising from			At 31 March 2019 £'000
		Operational £'000	Loan / lease repayments £'000	Asset sales £'000	
Cash and cash equivalents	3,963	1,005	(34)	1,100	1,892
Short-term deposits	272	(10,140)	-	-	10,412
Finance lease obligations (note 12.1)	(6)	-	34	-	(40)
	4,229	(9,135)	-	1,100	12,264

#### ANALYSIS OF CHANGES IN PARENT NET DEBT

	At 31 March 2020 £'000	Cashflows arising from			At 31 March 2019 £'000
		Operational £'000	Loan / lease repayments £'000	Asset sales £'000	
Cash and cash equivalents	3,916	1,043	(34)	1,100	1,807
Short-term deposits	272	(10,140)	-	-	10,412
Finance lease obligations (note 12.1)	(6)	-	34	-	(40)
	4,182	(9,097)	-	1,100	12,179

#### COMMENTARY:

The cash flow shows the reduction in funds on short-term deposit partly moved to long-term investments

The notes on pages 48 to 64 form part of these accounts.

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### ACCOUNTING POLICIES

Year ended 31 March 2020

#### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards for a public benefit entity. The most important accounting policies are:

##### 1.1 BASIS OF ACCOUNTING

These financial statements are prepared under the historical cost convention, except for the valuation of investments and social housing properties, and comply with the Accounting Direction for Private Registered Providers of Social Housing from April 2015, the Statement of Recommended Practice issued by the National Federation of Housing Associations (the Housing SORP) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102)" issued by the Charity Commission (the Charities SORP (FRS 102)), where this does not conflict with the Housing SORP, the Charities Act 2011 and the Companies Act 2006. These accounts have been prepared on a Going Concern basis.

##### 1.2 BASIS OF CONSOLIDATION

The National Council of YMCAs is required to prepare consolidated financial statements on a line-by-line basis including the results of the company's trading subsidiary (YMCA Retail Limited), and the operations of Dunford Trust, Douglas Wood Charity and the YMCA Trust Fund. Prior to the gift aid payment from the subsidiaries, the gross income of the parent company was £14.3m (2019: £16.2m) and the net movement in funds reported for the year includes a deficit of £1.3m (2019: surplus of £0.7m) which is dealt with in the financial statements of the parent company.

##### 1.3 GENERAL

The Statement of Financial Activities records the activities of the National Council of YMCAs and its subsidiaries, both as an affiliating body and of operating projects on a national basis and the balance sheet sets out its assets and liabilities. In addition to its own assets, properties and investments are registered in the name of YMCA England & Wales as formal trustee for Associations. These assets are excluded from these financial statements.

Restricted funds are raised for specific purposes and may only be used for the specified purpose. The movement on these funds are separated from movements in unrestricted funds on the Statement of Financial Activities and the amount at the balance sheet date is shown in note 14. Where funds are in deficit they are charged against the General Fund.

##### 1.4 DISCONTINUED ACTIVITIES

During the year YMCA England and Wales sold the last housing scheme and accordingly this is shown as a discontinued housing activity. In view of the disappointing performance of Dunford House, the Board decided to close this activity with effect from 26 March 2018. Accordingly this activity is shown as a discontinued non-housing activity. This property is held by YMCA England & Wales as trustee, and under the terms of the Trust Deed the surpluses from operations can only be applied for specified purposes. As the property is not beneficially owned by the National Council it is not valued for the purpose of inclusion in fixed assets and the operating results are shown as a restricted fund.

##### 1.5 TURNOVER

The total income represents the amounts receivable exclusive of VAT in respect of operational activities, grants receivable and fundraising activities. All income arose in the United Kingdom.

All income from operations, grants and fundraising is recognised in the Statement of Financial Activities when any conditions relating to the income have been satisfied, and any amounts in respect of future periods are carried forward as deferred income.

Goods donated for sale in the charity shops are included at their sales value. Gifts received in kind are included in income at their market value with a corresponding charge included within expenditure.

Grants of a revenue nature are credited to the Statement of Comprehensive Income in the period to which they relate.

##### 1.6 LEGACIES

Legacies are recognised within income and debtors when probate is granted unless there are specific conditions preventing receipt, e.g. a life tenant. At the year end there were 5 legacies subject to life tenants with an estimated value of £66k (2019: 5 legacies with estimated value of £66k) which are held in property and investments.



### 1.7 CAPITAL EXPENDITURE AND DEPRECIATION

Fixed assets are items costing in excess of £1,000 with a useful life of more than one year and are stated at cost less depreciation. The depreciation charge is calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	- 50 years
Leasehold land and buildings	- Period of the lease or earlier break
Shop leases and shop fittings	- Period of the lease or five years whichever is less
Computers, equipment and motor vehicles	- 3 years straight line

Estimated provisions are made for significant leasehold property dilapidation liabilities.

### 1.8 HOUSING PROPERTIES

As permitted by Financial Reporting Standard 102, YMCA England & Wales has elected to show the Housing assets at deemed cost. Housing properties will subsequently be measured at cost less depreciation. Financing costs incurred during construction have not been capitalised but are charged to the Statement of Financial Activities when incurred.

Social Housing Grants (SHG) received on assets that are presented at deemed cost at the date of transition have been accounted for using the performance model as required by the Housing SORP. Grants received since the transition date are accounted for using the accrual model as required by the Housing SORP.

In accordance with the Housing SORP depreciation was charged on the full construction costs. The requirement to implement Component Accounting has required YMCA England to determine the main components of the housing properties and their useful lives:

Physical structure	- 50 years
Internal doors	- 30 years
Windows	- 25 years
Public realm	- 20 years
Entrance security, Plumbing and heating, Kitchens and bathrooms	- 15 years

Land is not depreciated but is reviewed for impairment. An impairment provision is made when the carrying value is less than the existing use for social housing value (EUV-SH).

During the year YMCA England and Wales sold the last housing scheme and accordingly this is shown as a discontinued activity.

### 1.9 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Goods donated for sale in the charity shops are included at their fair value.

#### 1.10 EXPENDITURE

Expenditure is accounted for on an accruals basis. Direct expenses are allocated to the department incurring the expenditure. Expenditure is stated inclusive of irrecoverable VAT. During the year ended 31 March 2020 YMCA England incurred VAT of £120,829 (2019: £73,422) which it was unable to recover.

Costs of generating funds includes all fundraising departments and operating costs for the trading subsidiaries.

Charitable activities comprises expenses attributable to the operating departments as detailed in note 3.2. Central services are allocated to activities/departments based on the estimated usage of the services on the following basis:

<u>Function</u>	<u>Allocation basis</u>
Office Services	Average number of employees
Central overheads	Average number of employees
Personnel and payroll	Average number of employees
Finance	Non-staff expenditure
IT	Number of PCs

#### 1.11 INVESTMENTS

FRS102 provides that investments should be shown as fixed assets at their market value. To comply with FRS102 investment gains and losses have to be shown on the face of the Statement of Comprehensive Income.

Investments in subsidiary companies are stated at cost less accumulated impairment.

Investment income is accounted for on a receivable basis.

#### 1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

### 1.13 PENSIONS

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

As described in note 13, YMCA England & Wales has a contractual obligation to make pension deficit payments of £1m (2019: £976k pa) over the period to April 2027, accordingly this is shown as a liability in these accounts. In addition, YMCA England & Wales is required to contribute £203k (2019: £164k) pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

As described in note 13 a defined contribution scheme has been set up which all staff are eligible to join.

### 1.14 LIABILITIES

Liabilities are recognised when YMCA England & Wales has an absolute obligation to make payment to a third party.

### 1.15 CASH AT BANK AND IN HAND

This includes amounts held on accounts with access within thirty days. Amounts held on longer term notice are shown as short-term deposits.

Liquid resources for the purposes of the cash flow statement comprise bank and cash balances.

### 1.16 FOREIGN CURRENCIES

Items paid in foreign currencies are translated at the exchange rate incurred for that transaction.

### 1.17 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Depreciation of tangible assets is based on their estimated useful lives. For housing assets the values are allocated between their major components as detailed in note 1.8. Where assets are replaced an estimate is required for their original cost.
- Provision is made for future leasehold property dilapidation costs at the best estimate of the likely future liability based on the nature and condition of the property.
- The discount factor used for pension deficit contributions in future years.
- The critical underlying assumptions in relation to the estimate of the pension plan obligations such as return on assets, increases in pensions in payment and mortality. Variations in these assumptions have the ability to significantly influence the value of the pension liability and the annual contributions required.

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### ANALYSIS OF TOTAL INCOME

Year ended 31 March 2020

	Grants and Contracts for services £'000	Other Income £'000	TOTAL 2020 £'000	Grants and Contracts for services £'000	Other Income £'000	TOTAL 2019 £'000
<b>2.1 DONATIONS AND LEGACIES</b>						
Individuals	-	2,092	2,092	-	2,612	2,612
Legacies	-	1,010	1,010	-	1,264	1,264
Corporate and Trusts	-	118	118	-	448	448
	-	3,220	3,220	-	4,324	4,324
<b>2.2 AFFILIATION FEES</b>	-	900	900	-	873	873
<b>2.3 INCOME FROM CHARITABLE ACTIVITIES</b>						
Housing Management	-	166	166	-	1,181	1,181
Movement Services	-	78	78	-	85	85
Programme Development	113	25	138	10	-	10
Communications, Policy & Research	-	1	1	-	7	7
Legal Support and Trust & Association Funds	-	-	-	-	42	42
International	1	10	11	-	20	20
Dunford House	-	-	-	-	1	1
Central Services	-	67	67	-	88	88
	114	347	461	10	1,424	1,434
<b>2.4 INCOME FROM TRADING ACTIVITIES</b>						
Income generated by charity shops	-	9,572	9,572	-	8,777	8,777
Trading companies (note 8)	-	72	72	-	66	66
	-	9,644	9,644	-	8,843	8,843
<b>2.5 INVESTMENTS, INTEREST AND RENTAL INCOME</b>						
Investment income	-	91	91	-	60	60
Interest receivable	-	100	100	-	116	116
Rental Income	-	5	5	-	3	3
	-	196	196	-	179	179
<b>2.6 PROFIT ON SALE OF FIXED ASSETS</b>						
(Loss) profit on sale of housing schemes	-	(2)	(2)	-	578	578
	-	(2)	(2)	-	578	578
<b>TOTAL INCOME</b>	114	14,305	14,419	10	16,221	16,231

The figures shown above for 'Grants and contracts for services' include amounts raised by fundraising staff for specific purposes.

YMCA England & Wales benefits greatly from the involvement of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in these accounts.

The above income includes the following statutory items:

	£'000	£'000	£'000	£'000	£'000	£'000
Grants and contracts for services from Government source	-	-	-	-	-	-
Gift aid receivable	-	698	698	-	700	700
	-	698	698	-	700	700

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### EXPENSES

Year ended 31 March 2020

	Staff Costs (Note 3.5) £'000	Other Costs £'000	Grants payable £'000	Support Costs £'000	TOTAL 2020 £'000	Staff Costs (Note 3.5) £'000	Other Costs £'000	Grants payable £'000	Support Costs £'000	TOTAL 2019 £'000
<b>3.1 COSTS OF RAISING FUNDS</b>										
Individuals	365	510	-	214	1,089	278	684	-	147	1,109
Legacies	35	54	-	43	132	-	38	-	29	67
Corporate and Trusts	71	12	-	85	168	56	54	-	59	169
	<u>471</u>	<u>576</u>	<u>-</u>	<u>342</u>	<u>1,389</u>	<u>334</u>	<u>776</u>	<u>-</u>	<u>235</u>	<u>1,345</u>
<b>3.2 CHARITABLE ACTIVITIES</b>										
Housing Management	32	137	-	16	185	67	1,132	-	156	1,355
Movement Services	236	288	-	386	910	290	100	-	246	636
Funding support	120	28	-	85	233	48	46	-	58	152
Programme Development	50	132	-	34	216	-	62	235	43	340
Communications, Policy & Research	411	309	-	280	1,000	400	248	-	283	931
Legal Support and Trust & Association Funds	-	41	175	35	251	39	42	58	35	174
Payments to YMCAs	-	-	361	-	361	-	-	709	-	709
International Work	60	248	-	35	343	59	215	-	35	309
Dunford House	3	104	-	-	107	9	72	-	-	81
Defined benefit pension scheme operating expenditure	162	-	-	-	162	163	317	-	-	480
Central Services (note 3.4)	890	1,205	-	(2,028)	67	936	900	-	(1,748)	88
	<u>1,964</u>	<u>2,492</u>	<u>536</u>	<u>(1,157)</u>	<u>3,835</u>	<u>2,011</u>	<u>3,134</u>	<u>1,002</u>	<u>(891)</u>	<u>5,256</u>
<b>3.3 OPERATING COSTS OF TRADING ACTIVITIES</b>										
Operating costs of charity shops	4,376	4,349	-	815	9,540	3,553	4,352	-	656	8,561
Trading companies (note 8)	-	43	-	-	43	-	10	-	-	10
	<u>4,376</u>	<u>4,392</u>	<u>-</u>	<u>815</u>	<u>9,583</u>	<u>3,553</u>	<u>4,362</u>	<u>-</u>	<u>656</u>	<u>8,571</u>
<b>TOTAL EXPENDITURE</b>	<u>6,811</u>	<u>7,460</u>	<u>536</u>	<u>-</u>	<u>14,807</u>	<u>5,898</u>	<u>8,272</u>	<u>1,002</u>	<u>-</u>	<u>15,172</u>

Other costs within "operating costs of charity shops" in note 3.3 includes dilapidation provisions of £151k (2019: £229k),

which is the estimated value of dilapidation obligations arising on the retail units based on floor area.

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

#### 3.4 Central Services

Central service costs less the associated income (as shown in note 2.3) are allocated across activities on the following basis:

Basis of allocation		Fundraising Activities £'000	Retail activities £'000	Housing Services £'000	Influencing Activities £'000	Business Development £'000	Movement Support £'000	TOTAL 2020 £'000
Office Services	London staff numbers	189	173	-	126	-	-	488
Central Overheads	Estimated time	25	51	10	76	10	335	507
Personnel and payroll	Average number of employees	115	165	-	77	15	35	407
Finance	Estimated time	63	318	6	48	6	16	457
IT	Number of PCs	35	108	-	23	3	-	169
<b>TOTAL 2020</b>		<b>427</b>	<b>815</b>	<b>16</b>	<b>350</b>	<b>34</b>	<b>386</b>	<b>2,028</b>

Basis of allocation		Fundraising Activities £'000	Retail activities £'000	Housing Services £'000	Influencing Activities £'000	Business Development £'000	Movement Support £'000	TOTAL 2019 £'000
Office Services	London staff numbers	149	169	-	149	-	-	467
Central Overheads	Estimated time	21	43	43	85	21	214	427
Personnel and payroll	Average number of employees	34	142	14	31	3	14	238
Finance	Estimated time	66	218	83	66	17	16	466
IT	Number of PCs	23	84	16	23	2	2	150
<b>TOTAL 2019</b>		<b>293</b>	<b>656</b>	<b>156</b>	<b>354</b>	<b>43</b>	<b>246</b>	<b>1,748</b>

#### 3.5 EMPLOYEE COSTS (including subsidiaries)

	TOTAL 2020 £'000	TOTAL 2019 £'000
Staff costs comprise:		
Wages & salaries	5,978	5,160
Social security costs	464	401
Employer's contribution towards pension scheme operating expenditure	162	163
Other pension costs	207	174
	<b>6,811</b>	<b>5,898</b>

The average number of employees during the year, including part time and seasonal staff, analysed by function was:

	Average Number	Full-time Equivalent	Average Number	Full-time Equivalent
UK - charitable activities	14	14	15	14
UK - fundraising	15	15	12	11
UK - charity shops	274	213	234	184
UK - other activities	17	15	20	19
<b>TOTAL</b>	<b>320</b>	<b>257</b>	<b>281</b>	<b>228</b>

The number of employees whose emoluments exceeded £60,000

(including pension contributions) per annum during the year was as follows:

	Number	Number
£60,001 to £70,000	3	3
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£90,001 to £100,000	-	1
£100,001 to £110,000	2	1
£110,001 to £120,000	1	2
£120,001 to £130,000	1	-
	<b>8</b>	<b>8</b>

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

YMCA England & Wales operates a salary sacrifice scheme for pension contributions.

All staff are eligible to join the defined contribution pension scheme. The Chief Executive is an ordinary member of the YMCA Group Personal Pension Plan.

Total redundancy costs of £34,898 arose from restructuring the staff team (2019: £76,439).

The following information is given in respect of those employees defined as "directors" by the Accounting Direction for Private Registered Providers of Social Housing 2019.

	2020		2019	
	Number	£'000	Number	£'000
Aggregate remuneration (excluding pension contributions)		392		459
Pension contributions		57		68
Aggregate remuneration (including pension contributions)	4	449	6	527
In the prior year two members of the Senior Leadership Team served for less than a whole year.				
Highest paid (excluding pension contributions)		108		100
Pension contributions		19		16
Highest paid (including pension contributions)		127		116

#### 3.6 EXPENSES

During the year 9 members of the Board were reimbursed £3,747 (2019: 7 members reimbursed £3,321) in respect of their travel expenses in performance of their duties but received no remuneration for their services during the year (2019: £nil). Members of the Senior Leadership Team were reimbursed for the following items of expenditure:

	2020 £'000	2019 £'000
Travel costs	7	7
Subsistence	4	2
Others	3	6
	<u>14</u>	<u>15</u>

#### 4. NET EXPENDITURE FOR THE YEAR

The reported net expenditure for the year is after charging:

	2020 £'000	2019 £'000
Operating lease rentals payable:		
Property rentals	1,614	1,734
Motor vehicles	51	70
Equipment	24	17
	<u>1,689</u>	<u>1,821</u>
Interest Payable:		
Finance leases	22	22
Auditors remuneration:		
Total (parent company £25,500 (2019: £32,000))	<u>26</u>	<u>33</u>
and after crediting:		
Income from UK listed investments	<u>91</u>	<u>60</u>
Rental income:		
- External	<u>5</u>	<u>3</u>
Interest receivable:		
- Interest on bank deposits	43	87
- Loan interest	57	29
	<u>100</u>	<u>116</u>

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**5. REGISTERED SOCIAL LANDLORD ACTIVITIES**

**5.1 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

	31 March 2020			31 March 2019		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 5.2)	173	(127)	46	1,214	(1,079)	135
Other social housing activities:						
Admin	-	(52)	(52)	11	(118)	(107)
	<u>173</u>	<u>(179)</u>	<u>(6)</u>	<u>1,225</u>	<u>(1,197)</u>	<u>28</u>

**5.2 PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

At March 2019 YMCA England & Wales had 66 units of supported housing accommodation (using management agents), which were sold to a local YMCA during the year ended March 2020.

	31 March 2020	31 March 2019
	Supported Housing	Supported Housing
	£'000	£'000
<b>Income</b>		
Rent receivable (net of identifiable service charges)	173	566
Service charge income	-	648
<b>NET RENTAL INCOME</b>	<u>173</u>	<u>1,214</u>
<b>Expenditure</b>		
Management	60	294
Service charge costs	-	592
Routine maintenance	29	89
Bad debts	7	34
Depreciation of housing properties	31	70
<b>OPERATING COSTS ON SOCIAL HOUSING LETTINGS</b>	<u>127</u>	<u>1,079</u>
<b>OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS</b>	<u>46</u>	<u>135</u>

Rent losses from voids were £11k (2019: £84k). There were no capitalised repair costs in either year.

**5.3** The housing schemes are operated by Associations as management agents for YMCA England & Wales. The gross income and expenditure are included in note 5.1 and 5.2 with amounts due (to)/from Associations at the year end date included within creditors/debtors as appropriate.

At the year ended March 2019 there were rent arrears of £142,003, as these were under the control of the management agents they are not included in the figures for YMCA England & Wales. Bad debts are written off as they occur.

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TANGIBLE FIXED ASSETS

6.1 HOUSING FIXED ASSETS: Assets for charitable use

	Freehold Land & Buildings £'000
Deemed Cost:	
At 1 April 2019	1,324
Disposals on sale of properties	<u>(1,324)</u>
At 31 March 2020	<u>-</u>
Depreciation:	
At 1 April 2019	224
Disposals on sale of properties	<u>(224)</u>
At 31 March 2020	<u>-</u>
NET COST:	
31 March 2020	<u><u>-</u></u>
31 March 2019	<u><u>1,100</u></u>

The net book value of freehold land and buildings at March 2019 included land at cost of £112,640 which was not depreciated.

As at March 2019 YMCA England & Wales had received Social Housing Grants totalling £3,154,075 for the construction of the housing property which transferred with the sale of the property. At the balance sheet date grant of £172,343 (2019: £172,343) was awaiting recycling.

There were no contracted capital commitments at either year end.



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Year ended 31 March 2020

**6.2 OTHER TANGIBLE FIXED ASSETS**

	Land & Buildings		Equipment & Vehicles	TOTAL
	Freehold	Short Leasehold		
	£'000	£'000	£'000	£'000
Cost:				
At 1 April 2019	214	449	1,532	2,195
Additions	-	77	446	523
Disposals	-	(41)	(82)	(123)
At 31 March 2020	<u>214</u>	<u>485</u>	<u>1,896</u>	<u>2,595</u>
Depreciation:				
At 1 April 2019	68	327	1,147	1,542
Charge for the year	4	70	236	310
Disposals	-	(35)	(49)	(84)
At 31 March 2020	<u>72</u>	<u>362</u>	<u>1,334</u>	<u>1,768</u>
NET BOOK VALUE:				
31 March 2020	<u>142</u>	<u>123</u>	<u>562</u>	<u>827</u>
31 March 2019	<u>146</u>	<u>122</u>	<u>385</u>	<u>653</u>

The above analysis includes Items held on leases:

31 March 2020	<u>-</u>	<u>123</u>	<u>6</u>	<u>129</u>
31 March 2019	<u>-</u>	<u>122</u>	<u>40</u>	<u>162</u>

The net book value at 31 March 2020 represents fixed assets used for:

Charitable Activities	142	-	-	142
Management & administration	-	53	31	84
Retail Operations	-	70	531	601
	<u>142</u>	<u>123</u>	<u>562</u>	<u>827</u>

The net book value at 31 March 2019 represents fixed assets used for:

Charitable Activities	146	-	-	146
Management & administration	-	75	45	120
Retail Operations	-	47	340	387
	<u>146</u>	<u>122</u>	<u>385</u>	<u>653</u>

The net book value of freehold land and buildings includes land at cost of £479 (2019: £479) which is not depreciated.

The sale of the freehold property (Dunford House) was agreed during the year but only completed in August 2020. As this asset was held in a restricted fund the sale proceeds are subject to the terms of the trust.

**6.3** The majority of properties operated by the YMCA Movement throughout the country are owned by autonomous member YMCAs. Where the YMCA is unable to hold the title deeds itself these are held by the National Council as trustee for the YMCA. As these are not the equitable property of the National Council they are omitted from the above totals.

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### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

#### 7. INVESTMENTS

7.1 The unrestricted investments comprise investments in listed funds held in:

	Cost £'000	Unrealised gains (losses) during the year £'000	Market value £'000	Cash and liquid assets £'000	Equities £'000	Other investments £'000
COIF Charities Ethical Investment Fund	5,000	(500)	4,500	10	3,236	1,254
UBS Managed Funds	2,000	(1)	1,999	222	1,472	305
	<u>7,000</u>	<u>(501)</u>	<u>6,499</u>	<u>232</u>	<u>4,708</u>	<u>1,559</u>

These funds are held to enable the charity to meet its future obligations to the pension scheme. In May another £1m was invested with UBS.

7.2 The restricted fixed asset funds comprise:

- Trust & Association Funds represented mainly by funds from defunct member YMCAs. Income is either remitted to a specific activity or accumulated;
- The Movement Trust Fund is established under the trusteeship of the National Council of YMCAs, with the purpose of assisting member YMCAs with grants and loans.

	Cost £'000	Market value £'000
Value at 31 March 2018	1,086	1,900
Unrealised gains (losses) during the year	-	107
Value at 31 March 2019	<u>1,086</u>	<u>2,007</u>
Unrealised gains (losses) during the year	-	(189)
Value at 31 March 2020	<u>1,086</u>	<u>1,818</u>

The fixed asset investments comprise investments in the following unit trusts:

	March 2020 £'000	March 2019 £'000
Blackrock Common Investment Fund	415	552
Schroder Institutional Overseas Equities	854	807
M&G Charifund	323	416
COIF Charity Funds - Property	199	205
COIF Charity Investment Funds	27	27
	<u>1,818</u>	<u>2,007</u>

#### 8. INVESTMENT IN SUBSIDIARIES

During the year, the charity had a trading company (registered in England & Wales) which covenanted its profits to the charity:

Name:	Company number	Nature of business:	Type of Share:	Holding:
YMCA Retail Limited	02232462	Sponsorship and sales of new goods	Ordinary	100%

A summary of its trading results is shown below:

	31 March 2020 YMCA Retail Limited £000	31 March 2019 YMCA Retail Limited £000
Turnover	72	66
Cost of sales	(42)	(9)
GROSS PROFIT	<u>30</u>	<u>57</u>
Interest receivable	1	-
Administration costs	(1)	(1)
NET PROFIT	<u>30</u>	<u>56</u>
Amount Gift Aided to YMCA England and Wales	(30)	(56)
Retained in subsidiary	<u>-</u>	<u>-</u>
Total Shareholders' Funds	<u>1</u>	<u>1</u>

	31 March 2020 £000	31 March 2019 £000
Reimbursement of items paid	32	96
Gift aid of profits	30	56
	<u>62</u>	<u>152</u>

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	31 March 2020		31 March 2019	
	GROUP £'000	PARENT £'000	GROUP £'000	PARENT £'000
<b>9.1 STOCKS</b>				
Donated goods for resale	167	167	136	136
Consumables	-	-	3	-
	<u>167</u>	<u>167</u>	<u>139</u>	<u>136</u>
<b>9.2</b>	In March 2019, YMCA England and Wales were donated two properties for use with our housing work. These were transferred to local YMCAs during the year ended March 2020.			
<b>10. DEBTORS</b>				
Other debtors				
Due within one year	1,625	1,616	1,084	1,084
Due after one year (note 10.1)	1,353	1,353	1,280	1,280
Prepayments and accrued income	514	514	651	651
Due from Group Undertakings	-	63	-	74
	<u>3,492</u>	<u>3,546</u>	<u>3,015</u>	<u>3,089</u>

**10.1** As at March 2020, YMCA England & Wales had outstanding loans to:

	Amount £'000	Repayment		Interest
		within 12 months £'000	After 12 months £'000	
YMCA Thames Gateway	1,317	114	1,203	2.5%
YMCA Swansea	94	32	62	base +3%
European Alliance of YMCAs (for YMCA 175 event) March 2020	123	35	88	base +3%
	<u>1,534</u>	<u>181</u>	<u>1,353</u>	
March 2019	1,280	-	1,280	

During the year ended March 2015, YMCA England & Wales sold the freehold of the housing scheme at Dartford to the local association at open market value for social housing, the consideration being received by a 20 year interest bearing loan at 2.5%, with repayments deferred for 5 years. Due to the current financial situation it has been agreed that repayments will be made by monthly instalments commencing October 2020. The loans to YMCA Swansea (£95k) and European Alliance of YMCAs (£120k) were made during the year ended March 2020 and are repayable by instalments commencing in January 2020 and August 2020 respectively.

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Year ended 31 March 2020

#### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2020		31 March 2019	
	GROUP £'000	PARENT £'000	GROUP £'000	PARENT £'000
Finance lease obligations due within one year (note 12.1)	6	6	34	34
Pension scheme obligations due within one year (note 13.1)	754	754	976	976
Taxes & Social Security Costs	129	126	112	101
Other Creditors	1,209	1,209	1,082	1,081
Recycled social housing grant (note 11.1)	172	172	172	172
Due to Group Undertakings	-	13	-	-
Provisions for liabilities payable within 12 months (note 12.2)	513	513	489	489
Accruals and deferred income	688	687	1,238	1,237
	<u>3,471</u>	<u>3,479</u>	<u>4,103</u>	<u>4,090</u>

Deferred income consists of grants received in advance.

	£'000	£'000
11.1 Recycled social housing grant		
Balance at 1 April 2019		
and 31 March 2020	<u>172</u>	<u>172</u>

This amount is over 3 years old and repayment to Homes England may be required.

#### 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP £'000	PARENT £'000	GROUP £'000	PARENT £'000
Finance leases (note 12.1)	-	-	6	6
	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>

#### 12.1 Finance Leases (group and parent):

	Repayable					TOTAL 2020 £'000	TOTAL 2019 £'000
	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000		
YMCA Shops							
As at 31 March 2020	<u>6</u>	-	-	-	-	<u>6</u>	
As at 31 March 2019	<u>34</u>	6	-	-	6		<u>40</u>

#### 12.2 PROVISION FOR LIABILITIES

At the balance sheet date YMCA England & Wales had obligations to make future payments in respect of the following items where the amount or timing is uncertain:

	Balance at 1 April 2019 £'000	Additional Provisions £'000	Utilised in the year £'000	Balance at 31 March 2020 £'000	Balance at 1 April 2018 £'000	Additional Provisions £'000	Utilised in the year £'000	Balance at 31 March 2019 £'000
Lease dilapidations - retail (see note 3.3)	1,005	151	(187)	969	805	229	(29)	1,005
Lease dilapidations - non-retail	100	-	-	100	111	-	(11)	100
Allocate rent-free period over lease term	65	-	(22)	43	87	-	(22)	65
Reorganisation costs	53	(3)	(50)	-	-	53	-	53
	<u>1,223</u>	<u>148</u>	<u>(259)</u>	<u>1,112</u>	<u>1,003</u>	<u>282</u>	<u>(62)</u>	<u>1,223</u>

	Payable					TOTAL 2020 £'000	TOTAL 2019 £'000
	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000		
As at 31 March 2020	<u>513</u>	48	272	293	613	<u>1,126</u>	
As at 31 March 2019	<u>489</u>	218	139	377	734		<u>1,223</u>

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**13. PENSION COMMITMENT**

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

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

The 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 Pension Trustee has granted all participating employers a three month pension deferral commencing 1 May 2020, so accordingly YMCA England & Wales will need to make its monthly contributions of £102k from 1 August 2020. The deferred contributions will need to be cleared by December 2021. The contribution 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 1 May 2020.

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

	Within one year £'000	Repayable				After more than one year £'000	TOTAL 2020 £'000	TOTAL 2019 £'000
		One to two years £'000	Two to five years £'000	After five years £'000				
As at 31 March 2020	754	1,256.25	4,020	1,005	6,281	7,035		
As at 31 March 2019	976	976	3,904	1,951	6,831		7,807	

13.2 YMCA England & Wales has opened a defined contribution group personal pension plan for employees. YMCA England & Wales is making employer contributions of 6% of pensionable earnings provided that employees make a contribution of at least 3%.

YMCA England & Wales has also opened an auto-enrolment pension scheme for those employees who do not want to join the main scheme which has employer contributions of 3% of pensionable earnings provided that employees also make a contribution of 2%. The employee contributions increased to 5% from April 2019.

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Year ended 31 March 2020

#### 14. RESTRICTED FUNDS

The income and expenditure of the National Council include items relating to restricted funds comprising the following unexpended balances of donations and trusts held which can only be applied for specified purposes.

	Balance at 1 April 2018 £'000	Year ended March 2019				Year ended March 2020			
		Movement in funds:			Balance at 31 March 2019 £'000	Movement in funds:			Balance at 31 March 2020 £'000
		Income £'000	Investment gains (losses) £'000	Expenditure £'000		Income £'000	Investment gains (losses) £'000	Expenditure £'000	
Restricted income funds:									
Amounts raised for local YMCAs	127	438	-	(423)	142	7	-	(13)	136
Amounts raised for YMCA England & Wales activities:									
- Changing Futures	-	411	-	(262)	149	113	-	(50)	212
- Homelessness	-	10	-	-	10	20	-	-	30
- HLF Project (YMCA 175)	-	-	-	-	-	83	-	(74)	9
- Programme Development	15	-	-	-	15	-	-	-	15
- Better Futures	11	-	-	-	11	-	-	-	11
- Risk training	5	-	-	-	5	-	-	-	5
- Mental Health Champions	31	2	-	(33)	-	-	-	-	-
- Diabetes prevention	10	-	-	-	10	-	-	-	10
Movement Trust Fund	907	29	45	(59)	922	30	(76)	(92)	784
Hartwoodside Award	39	1	2	-	42	1	(3)	-	40
Douglas Wood Charity	1,071	31	53	1	1,156	31	(103)	(84)	1,000
Other Trust & Association Funds	37	2	4	-	43	-	-	-	43
Birchwood YMCA	45	-	-	(14)	31	-	-	(15)	16
NW Region Trust Fund	82	1	-	-	83	2	(7)	-	78
Dunford House	(89)	5	3	(87)	(168)	5	-	(108)	(271)
<b>Total Restricted Funds</b>	<b>2,291</b>	<b>930</b>	<b>107</b>	<b>(877)</b>	<b>2,451</b>	<b>292</b>	<b>(189)</b>	<b>(436)</b>	<b>2,118</b>

YMCA England & Wales raises funds on behalf of member YMCAs and for YMCA England & Wales activities which can only be used for that specific purpose.

The Movement Trust Fund is established under the trusteeship of the National Council of YMCAs, with the purpose of assisting member YMCAs with grants and loans. This committee also administers the Hartwoodside Award (which makes annual bursaries to young people in need, particularly disabled persons) and the Douglas Wood charity (which makes grants for the promotion of the education and training of young men in the science and practise on farming, horticulture or any similar profession or trade).

The Trust & Association Funds represent mainly funds from defunct Associations. Income is either remitted to a specific activity or accumulated. The funds from Birchwood YMCA are used to pay its ongoing pension deficit. The North West Region Trust Fund is administered on behalf of this regional trust fund.

The amount for Dunford House is the accumulated profits from the conference centre. In view of the disappointing performance, the Board decided to close this centre and activities ceased on 26 March 2018. As described in note 6.2 the property was sold in August 2020.

## NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

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Year ended 31 March 2020

#### 15. UNRESTRICTED FUNDS

The balance sheet shows how the unrestricted reserves are held. Some of these reserves are held in the form of long-term loans or tied up in fixed assets and therefore not directly available to support other activities, the remainder of the reserves are available to support the activities of YMCA England & Wales and are described as 'free reserves'.

	31 March 2020		31 March 2019	
	£'000	£'000	£'000	£'000
Unrestricted funds		4,555		5,503
Less allocated to the following purposes:				
Fixed assets	(686)		(1,608)	
less Revaluation reserve	<u>-</u>	(686)	<u>1,069</u>	(539)
Long-term loan to associations		(1,353)		(1,280)
'FREE RESERVES'		<u>2,516</u>		<u>3,684</u>

#### 16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund Balances are represented by:

	TOTAL			TOTAL		
	UNRESTRICTED	RESTRICTED	MARCH 2020	UNRESTRICTED	RESTRICTED	MARCH 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible Fixed Assets:						
Housing assets	-	-	-	1,100	-	1,100
Other fixed assets	686	141	827	508	2,152	2,660
Investments	6,499	1,818	8,317			
Total fixed assets			<u>9,144</u>			<u>3,760</u>
Net Current Assets	4,264	159	4,423	11,466	299	11,765
Long Term Liabilities	(6,894)	-	(6,894)	(7,571)	-	(7,571)
	<u>4,555</u>	<u>2,118</u>	<u>6,673</u>	<u>5,503</u>	<u>2,451</u>	<u>7,954</u>

#### 17. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	TOTAL			TOTAL		
	UNRESTRICTED	RESTRICTED	MARCH 2020	UNRESTRICTED	RESTRICTED	MARCH 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Net movement in funds for the year	(948)	(333)	(1,281)	658	160	818
Net decrease (increase) in fixed asse	922	4	926	6,805	(96)	6,709
Net movement in funds available for future activities	<u>(26)</u>	<u>(329)</u>	<u>(355)</u>	<u>7,463</u>	<u>64</u>	<u>7,527</u>

#### 18. LEASING COMMITMENTS

At the balance sheet date, YMCA England & Wales had the following total commitments under operating leases:

	31 March 2020		31 March 2019	
	Property leases £'000	Plant & machinery £'000	Property leases £'000	Plant & machinery £'000
Expiring:				
Within 12 months	1,151	140	1,120	121
1 to 2 years	977	104	803	103
2 to 5 years	1,233	77	1,069	52
After 5 years	<u>34</u>	<u>101</u>	<u>37</u>	<u>-</u>
	<u>3,395</u>	<u>422</u>	<u>3,029</u>	<u>276</u>

## **NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)**

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#### 19. GRANTS RECEIVED

The following grants were received during the year for the YMCA175 anniversary celebrations:

- £77,940 Heritage Lottery Fund
- £20,000 Movement Trust Fund
- £5,000 YMCA Europe

The following grants were received during the year for the YMCAs work on homelessness:

- £9,515 from the London Homelessness Fund (2019: £9,639)

These projects are run in conjunction with member YMCAs.

#### 20. CONTINGENT LIABILITIES

As in prior years YMCA England & Wales has full repairing interests in properties occupied by member YMCAs. There are potential contingent liabilities arising from these interests, but the time and cost to ascertain the potential liability is disproportionate to the

#### 21. TRANSACTIONS WITH RELATED PARTIES

Several Board members are connected with local YMCAs that affiliate to YMCA England & Wales on the normal terms.

Denise Hatton (CEO of YMCA England & Wales) is a member of the Board of George Williams College which in the previous year received £11,000 to develop Mental Health Training and literature). These transactions are on normal commercial terms and Ms Hatton was not involved in the decision to award the contracts to the College.

The YMCA Pension Plan operates from the offices of YMCA England & Wales which received payments of £24,337 inc VAT (2019: £110,324 inc VAT) for staff time and support services provided.

Donations of £40 were received from the trustees on normal terms (2019: £169).

Transactions with group undertakings are shown in note 8. There were no other transactions with related parties.





**YMCA ENGLAND & WALES**

**NATIONAL COUNCIL  
OF YOUNG MEN'S  
CHRISTIAN ASSOCIATIONS  
(INCORPORATED)**

**ymca.org.uk**



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Registered Charity no. 212810  
Registered Company no. 00073749  
Homes and Communities Agency no: LH2204



YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.

SUPPORT & ADVICE

ACCOMMODATION

FAMILY WORK

HEALTH & WELLBEING

TRAINING & EDUCATION