

YMCA THAMES GATEWAY

BARKING & DAGENHAM / DARTFORD
GREENWICH / HAVERING / ASHFORD



Company Registration No. 06102037 (England and Wales)
Charity Registration No. 1133269 (England and Wales)
HCA Registration No. L4547

YMCA THAMES GATEWAY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

YMCA THAMES GATEWAY

COMPANY INFORMATION

Details of trustees, secretary and registration numbers of the charity are given in the trustees' report.

Registered office	YMCA Thames Gateway Rush Green Road Romford Essex RM7 0PH
Auditor	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	National Westminster Bank PLC 10 South Street Romford Essex RM1 1RD
Solicitors	Bates Wells Braithwaite 2-6 Cannon Street London EC4M 6YH
Investment managers	Barclays Bank Plc 1 Churchill Place London E14 5HP

YMCA THAMES GATEWAY

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YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

At the time of writing this foreword, we're still in a global pandemic that has thrown the world into chaos and uncertainty.

The financial year ended a week after we, and thousands of other businesses across the UK, were forced to shut down suddenly, following Government guidance. This report however will highlight the successes of the 2019/20 financial year – we have made reference to the unavoidable topic of COVID-19 towards the end of the document.

There were changes to our Board through the year – we said thank you and bid farewell to Andrew Dyckhoff, Alison Sweeney and Russell Ridley. Tim Roberts resigned as Treasurer on 31 March 2020 and we would like to thank him for his service as Treasurer and as a member of the Finance Committee member over the past few years. The position of Treasurer is currently being recruited and the Trustees are grateful to Soji Otudeko for acting as Interim Chair to the Finance Committee. In their place we welcomed Rita Asamoah, Jennifer Samuels and Alice Strevens to the Board in March 2020, and we are looking forward to working with them over the forthcoming years. We're proud that our Board has become more diverse and representative of the demographics we support in our communities.

We continue to be grateful to our donors and funders, and have been overwhelmed by the support offered by them during the COVID-19 lockdown, which has enabled us to continue vital services, as well as deliver new services to the communities that we work in. As well as being successful in securing a new support contract from Kent County Council for work with residents in Dartford, we have also secured funding to deliver enhanced family inclusion work within our Children's Services, and to expand our youth work services in Woolwich. We are particularly grateful to the Mayor of London's Fund, the Royal Borough of Greenwich and the Masonic Charitable Fund for all of their support.

This year has seen a lot of developments in our service areas that we're delighted to share in this report.

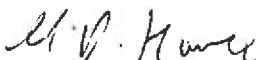
Within our Housing service, we have introduced a new computer system to better support the residents and young people we work with. In-Form has made a huge improvement to the way we work on a day to day basis, and allows for a more personalised support approach.

We know the importance of supporting our residents to develop their life skills, helping them to feel ready and prepared to move on from the YMCA, and with their lives, when the time is right. Therefore we have increased our programmes and activities offering by 60% during the year. Financially, we secured an additional income to the value of £350k through additional contracts to provide support services to residents.

Our Health and Wellbeing service has remained popular despite a huge amount of local competition offering budget friendly gyms. Our membership was fairly consistent month on month, but we have also recognised more of a need to focus on the mental as well as physical health of our members. As an Association, we're here to offer more than just a work out and this is something that we're embracing. Our Cancer and Stroke rehab programme remains a vital service as do our specialist sports groups for young people, seniors and people with additional needs. However we acknowledge that we need to make ourselves stand out from the crowd, and this will be a focus for the next financial year.

Our Children's Services adapted almost immediately to the global pandemic outbreak, with us continuing to provide keyworkers with essential childcare, to allow them to work in the hospitals, drive the public transport and to keep the supermarkets stocked and open. The last week of the 2019/20 financial year saw a flurry of activity to accommodate this, and we are incredibly proud of everything our Childcare team have achieved.

We've continued our relationship with YMCA West Kent, and this has been going well thus far. We look forward to supporting the communities we are part of, in Essex, Kent and London, during what will no doubt be a challenging year for many.


Father Martin Howse
Chair

Dave Ball
CEO



YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their report along with the financial statements of the charitable company for the year ending 31 March 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with applicable law and the requirements of the Financial Reporting Standard 102.

PERSONNEL

Details of personnel are given below:

Honorary Officers

Patron:

Rt Rev Roger Sainsbury

Vice Presidents:

Sandra Cox

Val Goodwin

Dave Harris

Leslie Newey

Board of Management

Trustees:

The trustees who served during the year and up to the date of signature of the financial statements are:

- Father Martin Howse (Chair)
- Desmond Potter (Vice-Chair)
- Andrew Dyckhoff (Resigned 23 September 2019)
- Gaggandeep Sandhu-Nelson
- Sue Unsworth-Tomlinson
- Dominic Scott-Malden
- Cheryl Burden
- Tim Roberts (Resigned as Treasurer 31 March 2020)
- Russell Ridley (Resigned 4 March 2020)
- Mark Saunders
- Alison Sweeney (Resigned 2 December 2019)
- Alice Strevens (Appointed 23 March 2020)
- Jennifer Samuels (Appointed 23 March 2020)
- Rita Asamoah (Appointed 23 March 2020)

Company Secretary

Karen Knapp

The Executive Team

Chief Executive	-	Dave Ball
Director of Finance & Resources	-	Paul Setterfield, ACMA, CGMA
Director of Housing & Property	-	Steve Brightwell
Director of Housing	-	Brian Cooke
Director of Programmes	-	Joanna Read
Director of Quality & Compliance	-	Karen Knapp
Director of People	-	Remi Tondu
Exec PA	-	Heather Stevenson

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

ORIGINS AND MISSION

YMCA has a strong and long history. It's the largest and oldest youth charity in the world and we're incredibly proud to be one of the 116 operating in the UK. Our beginnings go back to 1844, and since then, we've grown into a global movement. Local YMCAs operate independently and affiliate to the National Council of YMCAs.

YMCA Thames Gateway, formed in 2015 following the merger of YMCA Romford and YMCA Thames Gateway (South), aims to help people to develop their full potential in mind, body and spirit. We create supportive and inclusive communities, where young people can belong, contribute and thrive. Spanning five boroughs, we work across five core areas:

1. Accommodation

Every young person should have a safe place to stay – we truly believe this. We provide 319 young people with accommodation each and every night, 365 days a year; young people who would otherwise be homeless, or at risk of homelessness. In the past year we have provided in the region of 45,000 meals to our residents.

2. Children's, youth and family work

We run pre-schools, nurseries, after school clubs, holiday clubs, birthday parties and youth services in order to support every family to develop and lead more fulfilling lives. We are a registered provider of childcare services, offering nursery and after school care to 1,000 children each year. We provide support to 5,000 children and their families through our other services including holiday clubs and birthday parties. Our youth services engage over 135 young people per year in meaningful activities.

3. Health and Wellbeing

Physical health and mental health are often bedfellows, and we believe that everyone should be able to experience the benefits of good physical health. We have over 3,800 registered members using our fitness facilities and we also deliver health programmes to the local community and within schools and colleges. During 2019/20, over 3,000 adults and children took part in our fitness offering.

4. Training and Education

Providing residents with development opportunities that will enhance their future is a vital part of their journey with us. We provide an education and skills programme, which includes basic life skills such as cooking and budgeting as well as offering support for seeking work and employment.

5. Support and Advice

We work with residents and members to provide advice and support on benefits, education, employment, housing and health and wellbeing. In 2019/20, our support workers helped 577 vulnerable young people, providing tailored one to one support plans, helping to ensure that they leave our care in a more positive place than they were in when they came to us. Our full-time Chaplain provides pastoral support to our staff and customers alike.

As part of an international organisation, we're proud to be involved in worldwide partnerships supporting young people. Our current links are with YMCAs in Belarus (Vitebsk YMCA), Bulgaria, Nepal, Sierra Leone and Hong Kong, and over the past year, we have welcomed international volunteers from France, Mexico and the USA.

We are so grateful for 87 volunteers who collectively donated over 5,000 hours of time to our work this year. They make a valuable contribution to our work, and bring a different perspective to what we do. The vital roles they fill include board and committee membership, activity leaders in clubs such as the YMCA Orchestra, Widows & Widowers and Women Together groups, our senior citizens' programme, health and wellbeing, youth work and youth football. They also support key departments such as Catering, Chaplaincy and Site Operations.

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES

Our five strategic aims provide the foundation for our mission - to transform the communities in which we work, enabling more young people to truly belong, contribute and thrive.

1. **Our Finances** – In order to support our developments and growth we will have a robust financial plan that ensures that we are growing turnover, surpluses and departmental contributions.
2. **Our People** – Our most important asset, our aspiration and intention is to have a highly skilled and motivated workforce.
3. **Our Opportunities** – Although recent years have offered significant challenges, there is no doubt the immediate landscape offers significant opportunities to grow impact and to secure our future. Our approach will enable us to appraise, prioritise and plan delivery of all development opportunities.
4. **Our Quality** – Using a clear framework of what 'good' looks like, we will identify the impact we have on members, have clear frameworks and use data to inform continuous improvements. All service delivery areas will have an impact measurement framework embedded and that is being reported on at all levels
5. **Our Risks** - We aim to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, and are evaluated and proactively controlled rather than avoided.

While our main focus is on helping young people to achieve, developing targeted work for those with specific needs, we work with all members of the communities in which we're located. We believe that everyone should be able to reach their full potential, regardless of their background.

Joined-up working is vital to maximise our reach and impact. Our provision is fully integrated across the Association so that, regardless of how or why the young person got in touch with us, we have a better chance at helping them to improve their lives.

Our Christian faith motivates us every day. As an Association, our concern is for the welfare of young people and the communities they live in. Every single person in these communities is of equal value to us. We welcome people of all faiths and none, and are here to serve those who face disadvantage or exclusion, as well as to challenge discrimination and social justice.

The Trustees have complied with their duty in Section 17 of the Charities Act 2011. This is to have due regard to the guidance published by the Charity Commission. The benefit to the public is manifestly demonstrated by the achievements contained in this report.

STRATEGIC REPORT

The descriptions under the headings "Achievements and performance", "Housing Review", "Children's Services Review", "Health and Wellbeing Review" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE

Any overview of our performance against our strategic objectives is detailed as follows:

1. Our Finances

- We have increased our fundraising successes significantly over the past couple of years, raising over £400k in voluntary income, grants and new contracts to support service delivery. This includes funds raised to support our Housing, Youth and Childcare services, as well as to support the costs of the new housing development at Rush Green Road.
- We have achieved growth in our turnover, and surpluses over recent years, however the 2019-20 financial year, despite growth in turnover, did not see a surplus delivered. Projects and developments started in the year however are expected to deliver surpluses in future years and so we remain on target to deliver on our financial targets over the next few years.
- We have not achieved the growth we expected in our Direct Debit memberships. Increases in local competition, and the outbreak of COVID-19 hit our fitness income and growth targets were not met in the year. We will be reviewing our business model for Health and Wellbeing to ensure that we remain competitive locally.

2. Our People

- 100% of staff at supervisory level and above have been individually appraised of their work performance and had specific objectives set during the year, ensuring that employees are clear on expected levels of performance and their personal development
- We have increased expenditure on staff training to 1.4% of turnover, helping to ensure that we build and maintain a highly skilled workforce
- We have increased expenditure on staff benefits and welfare by 85% since 2017. This includes increases to our pension provisions, introduction of a Health Cash Plan scheme and Income Protection scheme for staff who develop critical/long-term health conditions that impact on their ability to work. We have also increased annual leave entitlement to 25 days at entry level. This will help us to both recruit and retain our valued staff team
- We have increased volunteering hours by over 40% since 2017, allowing us to provide more services to our beneficiaries and service users
- We have recruited and appointed two new apprentices allowing young people the opportunity to train and learn with us in meaningful employment
- We have supported the development of 13 existing staff undertaking apprenticeship courses at NVQ levels 2, 3 and 5 in Business Administration, Childcare, Fitness, Housing and Human Resources.

3. Our Opportunities

- We are in the process of purchasing Brentwood Foyer from Clarion Housing. The Foyer will provide us with 40 ready-made units of accommodation and see us grow our services into South Essex
- We are continuing discussions with a partner regarding the building of a new Boathouse to help grow boating services and other youth activity in Thamesmead
- We are exploring opportunities for growth in Thamesmead, talking to several potential partners to help build our branch and presence in the community
- We have commenced the building works for our new 39 move-on units on our Rush Green Road site with anticipated completion in late 2020

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

- We have identified the most appropriate option for the redevelopment of our main hostel on our Rush Green Road site and have progressed to the pre-planning stage
- We have built on our large housing support contract with Kent County Council, allowing us to grow and develop our housing services in the area
- We are in discussions with Royal Borough of Greenwich and their appointed architects for the replacement of Woolwich Youth Zone, inputting into the design and brief for the new building.

4. Our Quality

- KPIs and an impact dashboard are now in place, providing an internal auditing process. Our Quality and Compliance team are invited to carry out audits, which in turn give an independent view of service areas. Successes and developments are reported at the Operations and Programmes Committee. There is still work to be done to strengthen impact measures for Health and Wellbeing, and After Schools Clubs
- Service user pledges are in place for all projects across the Association to support our dedication to customer service
- The use of the In-Form system has been improved, with the Housing team now able to individualise information and therefore record residents' journeys and developments much more easily
- We have introduced a Resident's Forum which puts our residents at the front of our decision making and ensures quality is based on their expectations as much as ours. This is a group that feeds in across the Association and provides an opportunity for all service areas to seek resident input into their planned works
- We have increased and improved our partnership working so appropriately skilled people are now coming in to deliver the training, education and support – at no cost to the YMCA - rather than it all being delivered by staff
- A 37 point training matrix for the Housing service is now helping staff to provide an improved quality service. We're proud that 85% of Housing staff now hold a housing specific qualification

5. Our Risks

- Through collaborative working with YMCA England and Wales we have been successful in negating a key risk associated with the impact of proposed government changes to housing benefit
- We have made progress towards increasing our turnover in order to grow our surpluses to meet future spending commitments.
- All new business opportunities have a separate risk plan to enable us to monitor and mitigate risks.

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

HOUSING REVIEW

Our Housing service operates within four main locations - Romford, Dartford, Greenwich and Ashford. We primarily provide accommodation for those who find themselves homeless - or at risk of homelessness - within Kent, Essex and London.

We believe that a good quality supported housing provision should be able to break the cycle of homelessness for those that come in to its care. Knowing that each individual will have a unique life story that led them to being with us, it is important that our support offer is broad enough to take our customers on the most effective journey to independence. Each location offers specific services to reflect its purpose and our mission.

During 2019/2020, we were able to accommodate 611 people, of which 531 were tenant holders, 60 were children with the remaining 20 being partners.

In addition we offered a floating support service to around 30 young people, either as first contact or as part of their resettlement plan.

We carried out a full review of the housing service and remodelled our offer to ensure the functions that required specialist skills were staffed appropriately. We also reduced positions within the leadership team to allow us to divert resources to the front-line where increasing demands for mental health support was needed. The restructure brought about an improved offer with improved quality and was cost neutral.

We have made significant progress in ensuring that our service is balanced to the needs of the people we are here to support while satisfying the requirements of any commissioners and funders.

It is important to us that we offer more than just housing and support. We want all our residents to feel that they are part of the wider YMCA family, their community and the immediate social network that surrounds them. During the year, we allocated members of staff to lead on our social activities, employment, training and education programmes.

Over 2,200 individual sessions took place during 2019/2020 consisting of 230 unique individuals attending 30 different sessions.

Our key highlights:

- Our offer has grown considerably across all locations
- Our customer's engagement increased considerably through the year with clear evidence that customers have been able to influence many changes within the service
- We have a highly skilled and trained workforce
- The introduction of the new Housing and Support software - InForm - has revolutionised and improved our day to day work
- Rental income has increased and has stabilised
- Our programmes and activities have increased by 60% during the year
- A restructure increased our offer and quality with no added expense
- Our partnership base has increased and has been fruitful
- Additional income to the value of £350k was secured
- The service generated £9,766,748 of social value
- £384k of value for money were identified during the year
- A full rent and service charge review was carried out with an additional income of £320k - £340k secured for 2020-21.

To read more detail, please see the Housing Annual Review 2019/20.

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

CHILDREN'S SERVICES REVIEW

Our Children's Services operate within five main locations located within, Havering, Barking & Dagenham, Bexley and North Kent (Dartford). In the Thamesmead area of Bexley we opened a brand new 58 place nursery within the year to grow our services in that area. We offer After School Clubs and Holiday Clubs, as well as Preschool and full day care in our early years settings. Most of our provision is based within Local Authority target areas, meaning we work with some of the more vulnerable families within the community and the majority of our early years income comes from Local Authority funded places. Our settings have a higher than average number of children with special educational needs, and children linked to social services, or in receipt of EYPP (Early Years Pupil Premium).

We believe that **all** children should be offered the best start in life and our aim is to ensure that all our early years children should leave us 'school ready'. This approach has been proven to offer them the best chance of positive outcomes, the effects of which last into the child's adult life. For our Holiday Clubs and After School Clubs, we have developed curriculums that ensure that children are provided with opportunities to belong, contribute and thrive - the values of the YMCA.

During this past year, we launched a new support service for our most vulnerable families by appointing a Family Inclusion Co-ordinator. This specialist person has worked with a case load of individuals, as well as developing family workshops. She has also supported the Special Educational Needs Practitioners to ensure that all children's needs are met to the highest standard.

During 2019/2020, we cared for 454 children in our Early Years Settings, 553 children attended our After School and Holiday Clubs, and we championed 60 families through our family support work.

We don't want to just offer a place for children to attend - we want our children to reach their full potential and to feel part of the YMCA community. In our satisfaction surveys, 100% of our Early Years parents, and 92% of our After School Club parents say they would recommend us. In our After School Clubs, 100% of parents told us that they felt we made their child feel like they belong, 100% that we supported their child to contribute and 79% said we helped their child to thrive. In our Early Years, 100% of parents felt that we supported their children to belong, contribute and thrive.

Our Holiday Club won an award for Best Holiday Club in Romford, as voted by local parents which made it extra special recognition to receive.

As we reached the end of the financial year, we were faced with the global COVID-19 pandemic which initially meant all on site services had to be closed. However this did not stop the Children's Services team from continuing to work with our families, staying open for keyworker and vulnerable children, and providing daily activity sheets and specialist support for children with special educational needs and identified vulnerabilities.

Our Children's Services highlights:

- We opened the Lakeside Nursery Thamesmead
- Development of the Family Support offer
- Increase in the number of children attending our After School offering, through six established After School Clubs
- Introduction of new software supporting parents to contribute to their children's learning journals, as well as pay online for services
- Development of home learning activity sheets and the introduction of welfare calls to vulnerable families at the start of the COVID-19 pandemic

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

HEALTH AND WELLBEING REVIEW

Our Health and Wellbeing Services operate out of our Romford hub, with members coming from the boroughs of Barking and Dagenham and Havering. The range of services we offer includes:

- Gym membership
- Fitness classes
- Personal Training
- Sports programme
- Cancer and Stroke rehab through one to one referral work
- After Schools Clubs
- PE lessons
- Specialist sports, gym sessions and classes for young people, seniors and people with additional needs

The main financial driver for the Fitness and Wellbeing work are the Direct Debit Memberships. These have remained relatively stable, or seen slight growth, over the previous three years but in 2019/20 we started to see a decline in membership.

During 2019/2020, our peak month for Direct Debits was in June with 946 memberships. Our lowest month was December with only 864 active memberships. This excludes March where we dropped to 748 memberships, mostly due to the initial impact of the COVID-19 pandemic.

With more competitors opening Gyms locally, it became apparent that we needed to rethink our model to ensure we could continue to offer a Health and Wellbeing service to the local community in Romford. A consultation project was launched to identify why, when there is so much choice, members continue to use us. This produced a clear narrative of a highly supportive and inclusive environment, where mental health and social needs are met alongside physical needs.

YMCA Thames Gateway remains committed to offering a vital service to the community and is working with other YMCAs nationally to identify how we can collaboratively strengthen the YMCA fitness brand and evidence our outcomes in this area. Internally we reviewed our pricing structure to make ourselves more competitive within the local market and simplify our offer. This new pricing structure was due to be launched at the start of the new financial year.

With the COVID-19 pandemic landing at the end of the financial year, the Fitness and Wellbeing facility was forced to close, and all work stopped on site. However, within six days of the announcement to close, the Fitness team had launched a digital service. This included providing Personal Training plans through HALO (our fitness app), and setting up a full timetable of classes through an online platform (Zoom), using our own instructors. We also partnered with Les Mills to offer pre-recorded classes, as well as creating our own pre-recorded material for our members. This was on offer to any members who had chosen to continue, and not freeze, their membership which helped us to retain 85% of our members at the end of March.

Our Health and Wellbeing highlights:

- Being recognised for our cancer referral work and awarded a commendation for it
- Setting up the digital offer at the end of the financial year
- Outreach events in local parks
- Christmas party for those with special needs
- Partnering with the local Islamic Association and introducing a women's only class

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

YOUTH SERVICES REVIEW

Our youth work operates predominantly out of the Woolwich Youth Zone and a junior youth club is also run by a team of volunteers from our Romford site. This year, the Health and Fitness provision in Romford appointed a small team of youth advisors to make sure that our fitness offer was accessible to local young people.

One big highlight was when we took some of our young leaders to the 175th birthday celebrations of the YMCA. Held in London, our 15 attendees were able to meet with other young leaders from around the world, attend workshops and develop the skills needed to ensure all YMCAs would be ready to meet the needs of the next generation, and tackle challenges such as climate change head on.

This year, YMCA Thames Gateway was also awarded more grants than ever before which has enabled us to change the focus of our work and grow the youth work team. The work focused on mentoring, youth development and trauma-informed youth work sessions, and required a highly specialised team who are able to work with a therapeutic approach in order to meet the multiple needs of the young people in the Woolwich area. We were able to put on a second session for a younger age group, as well as embed the YMCA Thames Gateway's Skills Matrix to ensure that every young person we work with is able to grow, belong, contribute and thrive.

During 2019/2020 we worked with 115 young people across our youth work programmes.

Between September and January, we planned on embedding a new staff team and new ways of working, then moving on to complete community outreach and schools work towards the end of the year to. Sadly, the effects of COVID-19 started to impact on the number of young people we were seeing from early March, and with the closure of schools also came the closure of youth centres. The team were very quick to respond to the initial consequences of the global pandemic and started to develop online one to one and group work sessions. The aim was to ensure all young people maintained contact with their support workers and friends, offering some kind of continuity and support during this very worrying time. Youth workers were on hand to offer advice about how to manage mental health and resilience, which became even more important with our young people stuck at home, often with family members who were also negatively impacted by the pandemic.

Our Youth Services highlights:

- Growing the youth work team
- YMCA 175
- Developing and embedding the Skills Matrix
- Embedding a trauma informed approach

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

YMCA Thames Gateway's main sources of income arise from our charitable activities in three main business areas; Housing, Community Health and Wellbeing and Children's Services. Our Housing income is made up from a mixture of personal rental payments and housing benefit payments for residents living in our hostel or move-on accommodation. Community Health income is made up from member subscriptions, income from members using our fitness facilities, and income from external bodies in payment for fitness services. Children's Services income is predominantly from payments for the use of our childcare facilities, including our nurseries and pre-schools. We also receive income from other sources including our catering services, as well as from rental and investment income. Turnover for the 12 months ending 31 March 2020 was £6,269,962 (£5,582,357 in 2018/19). Despite this increase in turnover 2019/20 resulted in a deficit on operating activities of £171,740 (Surplus of £82,019 in 2018/19).

Income from social housing lettings for the year was up by £400k on 2018/19, mainly due to growth in our housing services as a result of higher rental income and additional housing grants for support services. We were also successful in growing our Children's Services income through higher occupancy in a number of our childcare settings. By contrast our Health and Wellbeing services struggled in the year and saw a decrease in income as a result of challenging market conditions and greater competition locally.

Despite this increase in income from social housing lettings, we had also expected to open some new services in the year that were due to generate additional surpluses, which we were not able to progress as we had intended. This, together with the challenges in the Health and Wellbeing area, contributed to the deficit position at year end, as we had increased our cost base to meet the projected growth in business. Overall expenditure in the year increased by around £900k compared to 2018-19, with a large part of this increase in expenditure linked to delivery of new services and growth opportunities which we expect to benefit from in future accounting periods.

After interest charges and investment performance the overall deficit for the year was £315k, with a large part of this being linked to stock market falls linked to the COVID-19 pandemic. Positively we have seen a bounce back in investment performance in quarter one of the new financial year.

Our cash position improved significantly in the year, thanks mainly to the drawdown of grant from the GLA for our new build flats at our Rush Green Road site. We spent a large amount in the year (£1.6m) on capital programmes, specifically the development just mentioned, and we expect that development to be completed by the end of 2020. We will have bank financing and grant commitments in place to meet the future costs of the developments and it is not expected that we will have any issues with working capital over the next 12 months as we complete the development.

We maintain sufficient reserves to enable us to fulfil the objectives of the Association. These reserves are held in a combination of both fixed and current assets including an investment portfolio managed on the Board's behalf by our investment managers Barclays Wealth.

The key funding sources have been mainly from public sector organisations such as the London Borough of Barking & Dagenham and Dartford Council (via housing benefit payments), as well as income received direct from members for use of our facilities and from families for use of our Childcare services. We also receive a grant from Kent County Council for our Dartford based housing services, and for the provision of free places at our nurseries. In view of the scale of public sector spending reductions, the Association aims to continue to diversify revenue streams. Where funding is available, it is often on the condition that we evidence effective delivery of specific key performance indicators, and therefore, YMCA Thames Gateway must ensure that all projects are delivered efficiently and meet the targets set.

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

COVID-19 IMPACT

The COVID-19 pandemic that has been spreading across the world has had an impact on our services and finances, with some impact being felt in March 2020, as we had to close our fitness and childcare services, and to a greater extent from April 2020 and the first half of the 2020-21 financial year.

There has been a limited impact on our finances and activities as a result of the pandemic. Despite us having to close down services during the lockdown period, we have now either reopened, or are in the process of reopening services, and despite a fairly significant impact on turnover during the period, we have managed our finances well, through a combination of utilising the Governments Job Retention scheme and realising additional cost savings. This has ensured that our cashflows and overall business viability has not been compromised over what has been a challenging period.

We remain cautious and vigilant over the threat of COVID-19 on our service users, employees, services and finances, but as noted in note 1.2 to the financial statements the Trustees consider that the charity is well placed to manage any further risks associated with the pandemic.

LIST OF FUNDERS

We have been incredibly well supported by a number of donors during the past 12 months and we would particularly like to note the following funders:

- Anton Jurgens Charitable Trust
- BBC Children in Need
- British Science Week
- Dartford Lions Club
- LandAid
- Masonic Charitable Foundation
- Morrisons Foundation
- Royal Borough of Greenwich
- The Mayor's Fund for London
- The National Lottery Community Fund
- Young Londoners Fund (Greater London Authority)

We'd also like to acknowledge our ongoing partnership work with:

- Kent County Council
- Charlton Athletic Charitable Trust

INVESTMENT POLICY AND PERFORMANCE

The Board has instructed the investment managers Barclays Wealth to maintain a balanced portfolio with a medium level of risk. During the year the trustees made the decision to move our investment assets out of a managed portfolio and to invest the proceeds in the Barclays Charity Fund, which is a unit based fund that meets our ethical investment requirements.

Income from investments was £60,071 compared to £79,979 in 2018/19, the decrease being primarily linked to the sale of investments to fund the new development works at Rush Green Road. Due to fluctuations in the stock market over the financial year, particularly during March 2020 and linked to the COVID-19 outbreak, the fair value of losses on our portfolio amounted to £203,817. At 31 March 2020 our portfolio value totalled £1,384,852.

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

RESERVES POLICY

The Association's reserves are made up of both free reserves and designated reserves.

The Association currently has a number of designated or restricted reserves. The largest designated reserves are the Property Asset Fund, which recognises the funds tied up in the physical property assets of the Association and the Investment Revaluation Reserve, which recognises the increases in the valuations of assets held in our investment portfolio. The designation of the reserves is reviewed on an annual basis by the Finance Committee.

The Trustees consider free reserves to be the liquid assets (current assets plus investments less current liabilities) available to the Association and available for the running of our charitable services. These free reserves do not preclude the continuing need for fundraising to fulfil the objects of the Association.

The Board consider that the free reserves should cover a minimum of four months operating expenditure. At the end of the financial year free reserves totalled £2,188,613 which covers approximately 18 weeks of operating expenditure at current expenditure levels. This is broadly in line with our target level of four months operating expenditure.

The Reserves Policy is reviewed annually by the Finance Committee.

VALUE FOR MONEY

Providing value for money is vital for any charity. Ensuring that we don't compromise on quality while ensuring we get as much as we can for our money, means spending less, spending well and spending wisely.

A focus on value for money is an objective that all staff are now aware of. Every role has a requirement to think about the value for all orders they are placing, questioning costs they believe to be too high, and getting multiple quotes for purchases.

By looking at value for money we want to make sure that:

- What we do is relevant and leads to benefits for young people (spend wisely)
- How we work is efficient and effective so we don't waste time or money (spend less)
- We get a good return from what we spend and make wise choices (spend well)

Over the past year we have ensured value for money in a number of ways:

- A new stationery provider has brought about £2,000 of savings on previous costs
- A procurement process for our catering suppliers has seen a saving of 5%, equating to £12,500 plus by bulk buying and planning better, we're seeing less waste, to a tune of approximately £20,000
- A year on year saving of £2,000 has been achieved following a review of shift cover and using less agency staff
- We secured a new contract for Kent County Council's young people's provision. Originally agreed at £150k, an additional income of £270k has been secured, now totalling £420k
- An in-house designed training programme for housing law and income recovery has brought about savings of £3,000 as well as being more relevant to our offer
- Introducing "Workplace" as an internal communications tool, instead of developing an intranet, has saved around £37,000
- 50% was saved off the full cost of a day trip for residents, following some strong negotiations – a cost of £480
- £2,400 saved by utilising our own minibuses for away days, rather than hiring an external company
- An additional opportunity to have enhanced housing management costs covered via housing benefit for the KCC allocated units, totalling £80,000

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

- The number of young people with mental health needs has increased yet statutory provision has reduced. By recruiting a volunteer counsellor, we're able to enhance the service that we offer at a small financial cost but saving around £20,000
- Universal Credit Housing Benefit guidance has, for some residents, caused confusion that has resulted in rent arrears. Thanks to staff setting up crowdfunding and applying for grants, £9,300 was raised and, as a result, residents have been able to settle their debts and sustain a tenancy

PLANS FOR FUTURE PERIODS

The Board of Trustees have approved a five year business plan covering the period 2017-2022. There are five key strategic aims to this plan as detailed below.

Our Finances

In order to support our developments and growth we need a robust financial plan that ensures that we are growing turnover, surpluses and departmental contributions.

1. Raise £250k towards the development costs of the modular scheme on our Rush Green Road site
2. Appraise revenue fundraising options and fundraise £160k of revenue funding
3. Have a budgeted operational surplus of 5% of turnover
4. Retain our direct debit membership income at £280k p.a.
5. Departmental contributions (as a percentage of turnover) to achieve the following:
 - Housing
 - Children's & Families Work
 - Health & Wellbeing
 - Catering
 - Youth
 - Central Support costs as a % of turnover

Our People

Our most important asset, our aspiration and intention is to have a highly skilled and motivated workforce.

1. Appraisal policy fully embedded resulting with all staff receiving an annual appraisal and set objectives in line with the Association's performance framework
2. Leadership and management programmes are developed which identify and progress 'rising stars'
3. Training budget is maintained at 1.5% of payroll costs, and utilised by departments to provide professional/specialist or service specific training programmes
4. Establish an employee engagement strategy created and based on staff survey feedback and ideas
5. Set up a Recognition and Appreciation Scheme with an identified budget and agreed levels of funding per department
6. Digitise and implement e-recruitment processes through investing 20% of annual recruitment spend on HR software
7. To have at least 2 apprentice positions in the organisation at any one time

Our Opportunities

Although recent years have offered significant challenges, there is no doubt the immediate landscape offers significant opportunities to grow impact and to secure our future. Our approach will enable us to appraise, prioritise and plan delivery of all development opportunities.

1. Review GLA Oversight Group and its future role in delivering future developments
2. Agree Masterplan for 29 Rush Green Road site development
3. Appraise options for collaboration/merger with other YMCA's in our operating areas
4. Appraise potential new opportunity of Brentwood Foyer
5. Appraise potential new opportunity of Trinity Foyer
6. Liaise with RBG with regards to the redevelopment of the Docklands site, including Woolwich Youth Zone and potential for housing
7. Development of the Thamesmead Branch incorporating the provision of a Boat House

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Our Quality

Using a clear framework of what 'good' looks like, we will identify the impact we have on members, have clear frameworks and use data to inform continuous improvements.

All service delivery areas will have an impact measurement framework embedded and that is being reported on at all levels

1. Embed understanding of impact through staff and members, ensuring we are able to clearly show an accurate picture of our quality work
2. Undertake staff observations and use to report on performance against both operational and customer care standards
3. Identify external quality marks to obtain in line with Holborn Group recommendations, and develop a plan to achieve
4. Prepare for quality growth of our housing offer, working to identified and relevant standards including TPAS
5. Map out the journey towards becoming a Trauma Informed and/or Therapeutic organisation and evaluating the value and impact of this work
6. Develop joint working with YMCAs nationally to ensure sustainability of our operational offer
7. Embed a participation and engagement strategy across all services that maps how service users provide feedback, support delivery and contribute to strategy and governance

Our Risks

We aim to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, and are evaluated and proactively controlled rather than avoided.

1. Risk management processes are developed to ensure risks of daily activities are identified, evaluated and controlled in a standard way, with the boundaries within which we operate; and decisions made, defined through a risk appetite agreed by the Board
2. Deliver an agreed Internal Audit Plan, using a risk based approach to evaluate performance against YMCATG policies, best practice standards, legislation and regulators requirements
3. Develop and deliver a training plan specific to risk management, to enable the skills and knowledge of staff to be developed to a higher level of understanding and specialism
4. Risk management is incorporated into business planning of new opportunities and developments

STRUCTURE, GOVERNANCE AND MANAGEMENT

YMCA Thames Gateway is a Christian community, a Housing Association offering sports, arts, fitness and wellbeing, youth and children's services, and international programmes. YMCA Thames Gateway was established in 2015 following a merger between Romford YMCA and YMCA Thames Gateway (South). The charity serves communities in North East and South East London, Essex and Kent, and principally in the London Boroughs of Havering, Barking & Dagenham, and Greenwich as well as Dartford and Ashford in Kent.

YMCA Thames Gateway is a company limited by guarantee, incorporated on 13 February 2007 (company number 06102037) and governed by its Memorandum and Articles of Association, last updated on 28 July 2015. It is also a registered charity (number 1133269) and a registered social housing provider (registration number L4547).

The charity is led by an elected Board of Management, which is representative of the community and membership. The Chief Executive, appointed by the Board of Management, is the Executive Officer of the Association. The Association's strategic direction is set by the Board of Management and responsibility for delivering the strategic plan is delegated to the Chief Executive and the Executive Team. Operational decisions are made by the Executive Team and Departmental Managers, and are implemented by staff teams across the Association. The Board of Management also has delegated sub-committees that report to it including the Finance Committee, Audit Committee, Asset Management & Development Committee, People Committee and the Operations & Programme Committee.

The Association is open to all regardless of age, gender, faith or disability; it seeks and works for the 'whole person' development of all, in body, mind and spirit. We touch the lives of approximately 10,000 people each year – 577 through our housing offering, over 3,500 people through our fitness programmes,

YMCA THAMES GATEWAY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1,000 children through our Early Years and primary settings, 135 through our youth services and 5,000 via our birthday parties.

YMCA Thames Gateway is an autonomous charity affiliated to the National Council of YMCAs and is part of the worldwide YMCA movement. YMCA Thames Gateway is committed to the Christian aims and purposes of the YMCA Movement.

YMCA Thames Gateway uses the most appropriate media for the recruitment of Board Members at any given time. This may include informal soundings within partner communities, e.g. Local Government, church groups, and organisations specialising in the provision of volunteers and trustees. We advertise internally within our current membership to recruit Board Members and use external advertising where appropriate. Suitable candidates who have expressed interest submit an application which is vetted for suitability by our Company Secretary and a small working group, taking into consideration what specialism they would bring to the Board. Following this, suitable potential candidates are invited to an interview. The interview panel is empowered to recommend to the board the appointment of the new board member. An induction plan is in place for new board members.

The Trustees confirm that the charity fully complies with the Regulator of Social Housing (RSH) Governance and Financial Viability Standard. During the year RSH reporting and regulatory requirements were reviewed and discussed to ensure compliance.

RISK MANAGEMENT

The charity Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The major risks which the charity has been exposed to as identified by the Trustees are:

- Major capital work requirements on our buildings
- Failure to generate sufficient surpluses to meet future liabilities
- The unknown impact of the COVID-19 global pandemic

The above risks have been identified and reviewed and action plans are in place to mitigate these risks including allocation of resources strategic and development planning, board recruitment and recruitment of property industry professionals to advise the board.

COVID-19 GLOBAL PANDEMIC

At the time of writing, we're in the middle of a global pandemic. COVID-19, also known as the coronavirus, hit the UK in March 2020, and a week before the end of the financial year, the country locked down.

The initial reaction from YMCA Thames Gateway was to continue to support the communities we service through providing childcare to the key workers helping to keep our country going, to developing an online fitness service for our Health and Wellbeing members. We were very conscious that lockdown could be detrimental to the mental health of our members as well our residents so a few of our teams starting to work together to co-ordinate a piece of work that would see residents provided with an additional meal a day, a different use of our onsite spaces across all of our sites, and an increased activity schedule too.

Bids were completed for funding opportunities to supplement the loss of income the YMCA will no doubt feel in months to come, donations started to come in almost immediately from our communities and while staff started to work from home, a core pool of staff remained on site to support the residents and services we were able to keep open.

This initial reaction to what would become a sustained period of uncertainty made YMCA Thames Gateway stand out in the community as being there for all in a time of need.

At the time of writing (September 2020), thanks to a significant amount of funding successes and the Government's furlough scheme, YMCA Thames Gateway is currently in a positive position. However we're remaining cautious and will keep a close eye on development and changes in the coming months.

YMCA THAMES GATEWAY


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



Dave Ball
Chief Executive

21 September 2020

YMCA THAMES GATEWAY

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the housing and charities SORPs;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YMCA THAMES GATEWAY

Opinion

We have audited the financial statements of YMCA Thames Gateway (the 'company') for the year ended 31 March 2020 which comprise the income and expenditure account, the balance sheet, the statement of changes in equity, the 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 FRS 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 company's affairs as at 31 March 2020 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting

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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors 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.

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 strategic report and the directors' 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 trustee's' report have been prepared in accordance with applicable legal requirements.

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YMCA THAMES GATEWAY

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees' report.

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

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

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Suresh Mehta (Senior Statutory Auditor)
for and on behalf of HW Fisher

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom



YMCA THAMES GATEWAY

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	£
Income	3	6,269,962	5,582,357
Cost of sales		(4,605,863)	(3,814,748)
		<hr/>	<hr/>
Gross surplus		1,664,099	1,767,609
Administrative expenses		(1,835,839)	(1,685,590)
		<hr/>	<hr/>
Operating (deficit)/surplus	4	(171,740)	82,019
Interest receivable and similar income	7	60,071	79,979
Interest payable and similar expenses	8	(60,318)	(61,482)
Fair value gains and (losses) on fixed asset investments	9	(203,817)	112,248
Fair value gains and losses on investment properties		61,000	59,000
		<hr/>	<hr/>
(Deficit)/surplus before taxation		(314,804)	271,764
Taxation	11	-	-
		<hr/>	<hr/>
(Deficit)/surplus for the financial		(314,804)	271,764
		<hr/>	<hr/>

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

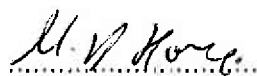
YMCA THAMES GATEWAY

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		14,679,487		13,374,560
Investment properties	13		570,000		509,000
Investments	14		1,384,852		2,144,240
			<u>16,634,339</u>		<u>16,027,800</u>
Current assets					
Stocks	16	6,805		7,626	
Debtors	17	395,014		317,357	
Cash at bank and in hand		1,904,349		112,695	
		<u>2,306,168</u>		<u>437,678</u>	
Creditors: amounts falling due	18	<u>(1,502,407)</u>		<u>(514,176)</u>	
Net current assets/(liabilities)			803,761		(76,498)
Total assets less current liabilities			<u>17,438,100</u>		<u>15,951,302</u>
Creditors: amounts falling due after more than one year	19		(1,774,588)		(2,080,486)
Government grants	21		(2,107,500)		-
Net assets			<u>13,556,012</u>		<u>13,870,816</u>
Reserves					
Restricted reserve	24		4,730		7,525
Revaluation reserve	25	4,532,521		4,635,533	
Other reserves	26	9,368,638		7,789,351	
General reserves		(349,877)		1,438,407	
		<u>13,551,282</u>		<u>13,863,291</u>	
Members' funds			<u>13,556,012</u>		<u>13,870,816</u>

The financial statements were approved by the board of directors and authorised for issue on 21 September 2020.. and are signed on its behalf by:



Father M D Howse
Trustee

Company Registration No. 06102037

YMCA THAMES GATEWAY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Restricted funds	Revaluation reserve	Other reserves	Income and expenditure	Total
	£	£	£	£	£
Balance at 1 April 2018	45,360	4,738,545	7,105,676	1,709,471	13,599,052
Year ended 31 March 2019:					
Profit and total comprehensive income for the year	(37,835)	-	-	309,599	271,764
Other movements	-	(103,012)	683,675	(580,663)	-
	<u>7,525</u>	<u>4,635,533</u>	<u>7,789,351</u>	<u>1,438,407</u>	<u>13,870,816</u>
Balance at 31 March 2019	7,525	4,635,533	7,789,351	1,438,407	13,870,816
Year ended 31 March 2020:					
Loss and total comprehensive income for the year	(2,795)	-	-	(312,009)	(314,804)
Other movements	-	(103,012)	1,579,287	(1,476,275)	-
	<u>4,730</u>	<u>4,532,521</u>	<u>9,368,638</u>	<u>(349,877)</u>	<u>13,556,012</u>
Balance at 31 March 2020	4,730	4,532,521	9,368,638	(349,877)	13,556,012

YMCA THAMES GATEWAY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	30		2,724,954		389,872
Investing activities					
Purchase of tangible fixed assets		(1,612,645)		(744,685)	
Cash from fixed asset investments		<u>610,071</u>		<u>165,000</u>	
Net cash used in investing activities			(1,002,574)		(579,685)
Financing activities					
Payment of pension obligations		(131,701)		(118,483)	
Proceeds from borrowings		<u>200,975</u>		<u>-</u>	
Net cash generated from/(used in) financing activities			<u>69,274</u>		<u>(118,483)</u>
Net increase/(decrease) in cash and cash			1,791,654		(308,296)
Cash and cash equivalents at beginning of year			<u>112,695</u>		<u>420,991</u>
Cash and cash equivalents at end of year			<u><u>1,904,349</u></u>		<u><u>112,695</u></u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

YMCA Thames Gateway is a private company limited by guarantee incorporated in England and Wales. The registered office is YMCA Thames Gateway, Rush Green Road, Romford, Essex, RM7 0PH.

YMCA Thames Gateway was established in July 2015 following a merger between Romford YMCA Limited and YMCA Thames Gateway (south) Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with the "Statement of Recommended Practice for registered social housing providers (2018)", the Accounting Direction for Private Registered Providers of Social Housing (issued by the Homes and Communities agency in September 2015), the Companies Act 2006 and "Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2019)".

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and listed investments at fair value. The principal accounting policies adopted are set out below.

YMCA Thames Gateway meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees have considered the effect of the COVID-19 outbreak. The trustees consider that the outbreak will have an impact upon the charity's income and activities, however, the extent and quantum of the disruption remains uncertain. The trustees expect there to be limited impact on the housing operations which have continued to perform well throughout the pandemic. Other key service areas in Health and Wellbeing and Children's Services have been more significantly impacted, but based upon current forecasting expectation the trustees consider them to be viable services, and that the impact of COVID-19 will be short to medium term, rather than long term, on the performance and viability of those services. The trustees consider that the charity has sufficient reserves to weather any short term impact on the income of the charity as a result of COVID-19. The trustees are confident that the charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

1.3 Income and expenditure

All incoming resources are included in the Income and expenditure account when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.4 Tangible fixed assets

Tangible fixed assets except housing properties are stated at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Housing properties are stated at cost and depreciated by component over the estimated useful economic lives of the component categories.

The cost of properties is their purchase price together with incidental costs of acquisitions and improvements, including related management charges. In 2015/16 the transitional FRS 102 rules were adopted. The housing properties were revalued and have been included in the financial statements at deemed cost. For further details, see note 25 of the financial statements.

Expenditure on housing and other properties which adds to the value of the property or extends its useful life is capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	1.33% straight line
Leasehold land and buildings	2% straight line
Fixtures and fittings	20% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

Assets under construction are not depreciated, depreciation on these assets will commence when they are brought into use subsequent to the year end.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

No depreciation is provided in respect of freehold land.

Tangible fixed assets are capitalised when their value exceeds £1,000. Smaller items are capitalised when they are part of a group of assets.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income and expenditure account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Listed investments are stated at market value. In accordance with the Statement of Recommended Practice published by the National Federation of Housing Association any unrealised gains or losses are included within the income and expenditure account.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash are basic financial assets and include cash in hand and deposits held at call with banks.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The company has obtained exemption from the Revenue Commissioners in respect of corporation tax, it being a company not carrying on a business for the purposes of making a profit.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement has been considered immaterial to the financial statements and has not been included.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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

The scheme's actuary has advised that additional contributions are required in order for the scheme to meet the future obligations of the scheme. The current deficit funding commitment has been included as a creditor in the financial statements, stated at the present value of the liability.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Income/Service charges

The turnover, operating costs and operating surplus recognised can be analysed as follows:

For the year ended 31 March 2020

	Turnover	Operating costs	Operating surplus
<i>Social housing lettings</i>			
Rent	2,002,649	(2,134,836)	(132,187)
Service charges	1,456,772	(1,539,093)	(82,321)
Social housing grant	442,521	(476,376)	(33,855)
	<u>3,901,942</u>	<u>(4,150,305)</u>	<u>(248,363)</u>
<i>Other income</i>			
Health and Wellbeing	446,612	(507,880)	(61,268)
Child and family services	1,265,442	(1,303,434)	(37,992)
Youth services	83,623	(102,591)	(18,968)
Catering services	145,312	(162,562)	(17,250)
Other activities	427,031	(214,930)	212,101
	<u>2,368,020</u>	<u>(2,291,397)</u>	<u>76,623</u>
	<u>6,269,962</u>	<u>(6,441,702)</u>	<u>(171,740)</u>

For the year ended 31 March 2019

	Turnover	Operating costs	Operating surplus
<i>Social housing lettings</i>			
Rent	1,697,145	(1,668,746)	28,399
Service charges	1,620,566	(1,617,432)	3,134
Social housing grant	177,264	(178,313)	(1,049)
	<u>3,494,975</u>	<u>(3,464,491)</u>	<u>30,484</u>
<i>Other income</i>			
Health and Wellbeing	515,678	(485,732)	29,946
Child and family services	1,104,180	(1,101,063)	3,117
Youth services	30,252	(52,316)	(22,064)
Catering services	152,612	(140,344)	12,268
Other activities	284,660	(256,392)	28,268
	<u>2,087,382</u>	<u>(2,035,847)</u>	<u>51,535</u>
	<u>5,582,357</u>	<u>(5,500,338)</u>	<u>82,019</u>

Rent and services void losses total £95,520 (2019: £85,889) and are netted off in the above figures for 2019 and 2020

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Operating (deficit)/surplus

	2020	2019
	£	£
Operating (deficit)/surplus for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	18,000	18,000
Fees payable to the company's auditor for other services	-	750
Depreciation of owned tangible fixed assets	307,718	356,356
Operating lease charges	36,996	9,996
	<u>360,714</u>	<u>385,102</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Housing	41	38
Community health	15	15
Children's services	75	75
Youth services	3	3
Catering services	17	15
Executive team	6	6
Corporate services and administration	21	22
Site operations and cleaning	19	20
Membership and reception	20	20
	<u>217</u>	<u>214</u>

The average monthly number of full time equivalent employees of the association was 133 (2019: 129).

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	3,782,741	3,141,028
Social security costs	261,257	214,413
Pension costs	155,336	96,011
	<u>4,199,334</u>	<u>3,451,452</u>
Redundancy payments made or committed	<u>9,634</u>	<u>9,832</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees

The number of employees whose annual emoluments £60,000 or more were:

	2020 Number	2019 Number
£60,000 - £70,000	2	2
£70,001 - £80,000	1	-
£80,001 - £100,000	1	1
	<u>4</u>	<u>3</u>

6 Executive staff emoluments

	2020 £	2019 £
Emoluments	393,999	335,759
Pension contributions	26,041	19,775
Total emoluments	<u>420,040</u>	<u>355,534</u>

The salary received by the highest paid executive staff member (the Chief Executive) was:

	2020 £	2019 £
Emoluments	<u>95,217</u>	<u>82,840</u>

There is no longer a defined benefit scheme in operation for the Chief Executive and therefore no contributions were made in the year. Contributions to the stakeholder pension on behalf of the Chief

7 Interest receivable and similar income

	2020 £	2019 £
Income from fixed asset investments		
Income from other fixed asset investments	<u>60,071</u>	<u>79,979</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	975	-
Other interest on financial liabilities	32,491	31,688
	<u>33,466</u>	<u>31,688</u>
Other finance costs:		
Unwinding of discount on pension obligation	26,852	29,794
	<u>60,318</u>	<u>61,482</u>

9 Fair value gains and (losses) on fixed asset investments

	2020	2019
	£	£
Net movement in market value	(203,817)	112,248
	<u>(203,817)</u>	<u>112,248</u>

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year in respect of their duties as trustees.

11 Taxation

As a registered charity, YMCA Thames Gateway is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the charity during the year (2019: £nil).

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

	Freehold buildings £	Leasehold land and £	Assets under £	Fixtures and £	Office equipment £	Motor vehicles £	Total £
Cost							
At 1 April 2019	12,750,479	1,883,975	-	1,729,510	87,911	83,772	16,535,647
Additions	974,051	-	577,782	58,821	1,991	-	1,612,645
At 31 March 2020	13,724,530	1,883,975	577,782	1,788,331	89,902	83,772	18,148,292
Depreciation and impairment							
At 1 April 2019	1,093,026	436,854	-	1,465,127	82,308	83,772	3,161,087
Depreciation charged in the year	161,797	37,680	-	102,904	5,337	-	307,718
At 31 March 2020	1,254,823	474,534	-	1,568,031	87,645	83,772	3,468,805
Carrying amount							
At 31 March 2020	12,469,707	1,409,441	577,782	220,300	2,257	-	14,679,487
At 31 March 2019	11,657,453	1,447,121	-	264,383	5,603	-	13,374,560

A new affordable housing unit is under construction and the costs incurred to date are shown as assets under construction, on completion, these will be transferred to land and buildings.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Investment property

	2020
	£
Fair value	
At 1 April 2019	509,000
Net gains or losses through fair value adjustments	<u>61,000</u>
At 31 March 2020	<u><u>570,000</u></u>

Investment property comprises 530 Upper Brentwood Road. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the Trustees as at March 2020. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties and rental yield.

14 Fixed asset investments

	2020	2019
	£	£
Listed investments	1,381,096	2,126,867
Cash	<u>3,756</u>	<u>17,373</u>
	<u><u>1,384,852</u></u>	<u><u>2,144,240</u></u>

Movements in fixed asset investments

	Listed investments	Cash	Total
	£	£	£
Cost or valuation			
At 1 April 2019	2,126,867	17,373	2,144,240
Valuation changes	(217,787)	-	(217,787)
Investment income	-	60,071	60,071
Investment management fees	-	(5,571)	(5,571)
Disposals	(527,984)	541,954	13,970
Transfer to bank	-	(610,071)	(610,071)
	<u>1,381,096</u>	<u>3,756</u>	<u>1,384,852</u>
At 31 March 2020	<u>1,381,096</u>	<u>3,756</u>	<u>1,384,852</u>
At 31 March 2019	<u>2,126,867</u>	<u>17,373</u>	<u>2,144,240</u>

15 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Equity instruments measured at fair value	<u>1,384,852</u>	<u>2,144,240</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Stocks

	2020	2019
	£	£
Catering stock	6,805	7,626

17 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Rent arrears	237,290	247,933
Provision for doubtful debts	(113,744)	(117,354)
	123,546	130,579
Other trade debtors	135,204	148,424
Other debtors	12,644	11,292
Prepayments and accrued income	123,620	27,062
	395,014	317,357

18 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Other borrowings	20	427,736	-
Trade creditors		201,166	140,296
Other taxation and social security		74,183	64,819
Other creditors		113,901	107,060
Accruals and deferred income		685,421	202,001
		1,502,407	514,176

19 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Other borrowings	20	1,089,217	1,283,487
Accrued pension deficit contributions	26	685,371	796,999
		1,774,588	2,080,486

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Loans and overdrafts

	2020	2019
	£	£
Other loans	1,516,953	1,283,487
Payable within one year	427,736	-
Payable after one year	1,089,217	1,283,487

The long-term loan is a loan from YMCA England to acquire the freehold of the Roundhouse hostel as part of the merger with YMCA Thames Gateway (South) Limited. The loan is secured by a fixed charge over the freehold of the Roundhouse hostel.

The loan is repayable over 15 years from March 2020, with the first two instalments due in 1 year. Interest is accrued at 2.5% from the inception of the loan.

A short term portfolio finance arrangement is in place with Barclays Bank Plc. The loan is secured by a fixed charge over the investment portfolio managed by Barclays Wealth. Within the year £200,000 was withdrawn from this facility as is classed as a short term creditor on the balance sheet.

21 Government grants

	2020	2019
	£	£
Arising from government grants	2,107,500	-
	2,107,500	-

The above represents a grant from Greater London Authority (the GLA) for the construction of affordable housing which is recognised using the accrual model under the Statement of Recommended Practice for registered social housing providers (2018).

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to expenditure in respect of defined contribution schemes was £155,336 (2019 - £96,011).

Defined benefit schemes

YMCA Thames Gateway 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 Thames Gateway and at the year end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2017. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 3.75% and 2.25% respectively, the increase in pensions in payments of 3.35%, 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 plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA Thames Gateway and accordingly no plan assets or liabilities have been shown on the balance sheet.

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 as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. YMCA Thames Gateway started making monthly contributions of £10,656 from 1 May 2019 subject to 3% increases per annum. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years from 1st May 2019. See note 19 for the long term element of the liability.

In addition to the deficit contributions YMCA Thames Gateway has been making monthly contributions of £1,796 from 1 May 2019 contribution to the pension plan's expenses.

23 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

24 Restricted funds - 2020

	Brought forward £	Incoming £	Resources £	Carried £
Miscellaneous special funds	7,525	15,285	(18,080)	4,730
	<u>7,525</u>	<u>15,285</u>	<u>(18,080)</u>	<u>4,730</u>

Restricted funds - 2019

	Brought forward £	Incoming £	Resources £	Carried £
Miscellaneous special funds	45,360	23,954	(61,789)	7,525
	<u>45,360</u>	<u>23,954</u>	<u>(61,789)</u>	<u>7,525</u>

Miscellaneous special funds - this is the aggregate balance of a number of small restricted funds for projects run by the YMCA.

25 Revaluation reserve

	2020 £	2019 £
At beginning of year	4,635,533	4,738,545
Depreciation transfer	(103,012)	(103,012)
At end of year	<u>4,532,521</u>	<u>4,635,533</u>

The revaluation reserve arose on the adoption of FRS 102 in 2015/16. The operating properties were revalued and under the FRS 102 transitional rules were carried forward at deemed cost. Each year a transfer is to be made in respect of the additional annual depreciation charge resulting from the

26 Designated fund

	Pension reserve £	Other designated £	Total £
At 1 April 2018	(994,327)	8,100,003	7,105,676
Net movement in reserves for the year	197,328	486,347	683,675
At 31 March 2019	(796,999)	8,586,350	7,789,351
Net movement in reserves for the year	111,628	1,467,659	1,579,287
At 31 March 2020	<u>(685,371)</u>	<u>10,054,009</u>	<u>9,368,638</u>

The pension reserve reflects the long term element of the deficit reduction payments due on the defined benefit pension scheme. See note 19.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

27 Other designated funds

	Brought forward £	Transfers Carried forward £	
Investment revaluation reserve	117,309	12,291	129,600
Property asset fund	8,469,041	1,455,368	9,924,409
	<u>8,586,350</u>	<u>1,467,659</u>	<u>10,054,009</u>

Investment revaluation reserve - this reserve is the difference between the cost and current market value of revalued investment assets.

Property asset fund - this fund represents the original cost of the land and buildings, net of depreciation charged. In combination with the property revaluation reserve, it represents the net book value of properties held.

28 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	36,996	9,996
Between two and five years	74,295	24,291
	<u>111,291</u>	<u>34,287</u>

29 Related party transactions

There were no disclosable related party transactions during year (2019: £nil).

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

30 Cash generated from operations

	2020	2019
	£	£
(Deficit)/surplus for the year after tax	(314,804)	271,764
Adjustments for:		
Finance costs	32,491	31,688
Investment gains retained on portfolio	(60,071)	(79,979)
Investment management fees	5,571	6,508
Fair value gains and losses on foreign exchange contracts and investment properties	(61,000)	(59,000)
Depreciation and impairment of tangible fixed assets	307,718	356,356
Unrealised loss/(gain) on fixed asset investments	217,787	(112,248)
Investment disposal proceeds	(13,970)	-
Unwinding of pension discount	26,852	29,794
Increase in deferred income	2,107,500	-
Movements in working capital:		
Decrease in stocks	821	2,995
(Increase) in debtors	(77,657)	(47,293)
Increase/(decrease) in creditors	553,716	(10,713)
Cash generated from operations	2,724,954	389,872

31 Residential units under management

	2020	2019
	Number	Number
The number of hostel accommodation bed spaces in management	194	194
The number of units of housing accommodation in management:		
George Williams House	10	10
Red Triangle House	4	4
Hedley House	8	8
Church View	10	10
Brookfield Court	3	3
Defiance Walk	40	40
Sarah Turnbull House	43	43
Total	312	312

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

32 Analysis of changes in net funds/(debt)

	1 April 2019	Cash flows	Other non-cash	31 March 2020
	£	£	£	£
Cash at bank and in hand	112,695	1,791,654	-	1,904,349
Borrowings excluding overdrafts	(1,283,487)	(200,975)	(32,491)	(1,516,953)
	<u>(1,170,792)</u>	<u>1,590,679</u>	<u>(32,491)</u>	<u>387,396</u>

33 Non adjusting post balance sheet event note

Post year end YMCA Thames Gateway have drawn down loans totalling £682,235 from Charity Bank relating to the £1.43m facility opened to finance the build of 39 new units of accommodation on the Rush Green Road site. It is expected that the full £1.43m will be drawn down and utilised by 31 March 2021.