

YMCA THAMES GATEWAY

BARKING & DAGENHAM / DARTFORD
GREENWICH / HAVERING / ASHFORD

YMCA

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 2021

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 LLP 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 10 Queen Street Place London EC4R 1BE
Investment managers	Barclays Bank Plc 1 Churchill Place London E14 5HP

YMCA THAMES GATEWAY

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YMCA THAMES GATEWAY

CEO AND CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MARCH 2021

In reflecting on the past year, it is impossible for me to look much beyond a deep appreciation and gratitude to our team of staff and volunteers. I have been humbled by the commitment, resilience, and creative energy demonstrated on a daily basis and lived out over the whole period of the pandemic.

This commitment has enabled us to maintain the financial stability of YMCA Thames Gateway and to continue providing the much-needed services across all of our branches and to our thousands of members. The impact on our YMCA has been huge but we are in a more fortunate position than many, thanks to the forward-thinking and determination of our staff, and the loyalty of our members.

This report will detail much of the work undertaken and will give the reader a glimpse into the past year. There have been big moments for us, including the merger with YMCA West Kent, the decision to purchase the Brentwood Foyer, and the commencement of the building of our modular housing scheme, Park View. However important these are to the future of YMCA Thames Gateway, it's been the myriad of 'quiet kindness' and generous acts that have perhaps been the real impact of the year; and for that I am immensely proud.

The entire 2020/21 financial year saw us battling to keep our services relevant and in demand, to ensure that we were able to continue to generate income. We moved our fitness offering online only, helping our members stay physically well during their time locked in their homes. Our nurseries and pre-schools stayed open for the children of keyworkers. We provided our residents with an additional meal as well as activities to help keep the boredom at bay.

What is yet to be understood is the longer impact of the pandemic on the people of our nation and, as such, the usual rules of strategic planning have had to be replaced by flexibility and the ability to pivot with haste. We shall approach the next year with the same approach. Our team is remarkable and will rise to the challenges.

Despite the pandemic, we have shone in the communities that we serve, adapting our offering to suit the needs that materialised. This report will highlight the successes of the 2020/21 financial year.

Thanks must go to the Board and Committees who help govern YMCA Thames Gateway; the Leadership Team across the Thames Gateway Group; and the many staff and volunteers across our branches.

There were a few of changes to our Board – Gaggandeep Sandhu-Nelson resigned on 21 September 2020 and Desmond Potter resigned as Vice Chair on 30 November 2020, although he has stayed on as a Trustee. Soji Otudeko was appointed as Treasurer on 21 September 2020 and Cheryl Burden as Vice Chair on 30 November 2020. We're so grateful for the support that all Trustees have shown towards us during the pandemic.

A final - and the biggest sense of gratitude - must go to the children and families, the young people, our senior citizens and resident members, who have shown fortitude, resilience and good humour during the most challenging of years.

On behalf of the Board.

Father Martin Howse
Chair

Dave Ball
CEO

YMCA THAMES GATEWAY

TRUSTEES' AND DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees and Directors present their report along with the financial statements of the charitable company for the year ending 31 March 2021. 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)
- Rita Asamoah
- Cheryl Burden (Appointed as Vice Chair – 30 November 2020)
- Soji Otudeko (Appointed as Treasurer – 21 September 2020)
- Desmond Potter (Resigned as Vice-Chair – 30 November 2020)
- Jennifer Samuels
- Gaggandeep Sandhu-Nelson (Resigned 21 September 2020)
- Mark Saunders
- Dominic Scott-Malden
- Alice Strevens
- Sue Unsworth-Tomlinson
- Ann Furminger (Appointed 19 July 2021)
- Mark Farrar (Appointed 9 September 2021)

Company Secretary

Karen Knapp

The Executive Team

- Chief Executive - Dave Ball
- Executive Director of Finance & Resources - Paul Setterfield, ACMA, CGMA
- Executive Director of Operations - Steve Brightwell
- Director of Housing - Brian Cooke
- Director of Marketing, Communications & Fundraising - Laura Coyle
- Director of People - Remi Tondou
- Director of Programmes - Joanna Read
- Director of Quality & Compliance - Karen Knapp
- Executive PA - Heather Stevenson

ORIGINS AND MISSION

The YMCA has a long, established history. As the largest and oldest youth charity in the world, we're extremely proud to be one of the 116 independent, local YMCAs spread across England and Wales. Our history dates back to 1844, and since then, we've grown into a global movement. We are affiliated members of the National Council of YMCAs.

Formed in 2015 following the merger of YMCA Romford and YMCA Thames Gateway (South), YMCA Thames Gateway aims to help people to develop their full potential in mind, body and spirit. We create supportive and inclusive spaces, where young people can belong, contribute and thrive. Covering five boroughs, our work is broken down into five core areas:



Accommodation

A safe place to stay every night is something that we believe every young person should have. Through our numerous sites, across five boroughs, we provide over 400 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 37,000 meals to our residents.



Children's, youth and family work

We offer support to families with children of all ages through our pre-schools, nurseries, after school clubs, holiday clubs, birthday parties and youth services. We are an Ofsted registered childcare provider, offering nursery and after school care to 1,000 children each year. Pre-pandemic, we were providing support to 5,000 children and their families through our other services including holiday clubs and birthday parties; and our youth services would usually engage with over 250 young people per year.



Health and Wellbeing

This year more than ever, supporting good mental and physical health has been incredibly important. We believe that everyone should have access to facilities to support their physical wellbeing, and that good physical health works hand in hand with strong mental wellbeing. We have over 2,292 registered members using our fitness facilities, and had to adapt our offering this past year to continue that support from a distance. Our usual activities in schools had to cease but our nurseries and preschools remained open.



Training and Education

Helping residents to develop their skills and experience will enhance the opportunities available to them in the future. As such, we offer training around basic life skills, such as cooking and budgeting, as well as provide support for seeking work and employment.



Support and Advice

Being able to provide solid and factual advice to our residents is incredibly important. Offering support on benefits, education, employment, housing and health and wellbeing aids them on their journey. During the 2020/21 financial year, our support workers helped 477 vulnerable young people, offering tailored one to one support plans. The aim is 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.

OBJECTIVES AND ACTIVITIES

Our Strategic Priorities are:

1. growth of impact
2. greater clarity of purpose
3. measurable impact of our charitable work
4. sustainable & diverse business model
5. leadership development
6. increase focus on young people

Our five Strategic Aims provide the foundation for our purpose. We work to transform the communities we work in, to enable more young people to belong, contribute and thrive.



Our Finances

In order to support our improvements and growth, we will develop a sustainable and diverse business model that ensures that we are growing turnover, surpluses and departmental contributions.



Our People

A highly skilled and motivated workforce is a business's most important asset; therefore, it is our aim to continue to invest in our staff.



Our Opportunities

Despite this past year being incredibly challenging, there are plans afoot to offer growth which in turn can increase our impact and secure our future. Our approach will enable us to appraise, prioritise and plan delivery of all development opportunities.



Our Quality

We will develop clear frameworks and use data to ascertain the impact we have on members, which will inform continuous improvements. All service delivery areas will embed an impact measurement framework and this will be monitored and reported on at all levels.



Our Risks

We aim to operate a culture of creativity and innovation, in which risks are identified in all areas of the business. Risks are to be 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.

ACHIEVEMENTS AND PERFORMANCE

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



Our Finances

- The 2020-21 financial year was extremely challenging financially. The COVID-19 pandemic meant that we had to close, or severely restrict, the majority of our community services, which led to there being a significant hit on income. Service income in Fitness, Children's Services, Youth, Catering and Community services was over £800k down on the previous year. We were largely able to mitigate this reduction in core income via utilising the Government's Job Retention Scheme, as well as securing additional financial support from funders and donors, and reduction of spend on overheads. Positively this meant that we were able to protect jobs across the charity and end the year with a small operating surplus. Despite this being a good achievement given the circumstances, we are still somewhat short of achieving our 5% surplus to turnover target, and we will need to rebuild our services over the next 12 months to get our finances back on track
- Fundraising performance during the year was very strong, thanks largely to a huge amount of additional support both in cash and in kind that we received from Government agencies, funders and donors, to support our services through the pandemic. This included over £80k from Local Authority Grants and £25k from YMCA England's COVID-19 response fund. We are grateful for all the support given
- Due to COVID-19 lockdown restrictions, we had to close down our community services for large parts of the year. This included our gym facilities and, as a result, we saw a significant fall in income and membership for those services. Income for our fitness services fell by 70% compared to the 19-20 financial year. Positively, a significant percentage (around 80%) of our members chose to freeze their memberships (rather than cancel) and have returned as members now that services have reopened, and we are very grateful for their loyalty.



Our People

- The Association's performance and ability to achieve its People objectives was severely hampered by COVID and Lockdown, whereby movement on KPIs practically slowed down as other priorities took over during the pandemic
- Staff appraisal for the annual review period 2019-20 ended with a 27% completion rate which meant we did not meet the 60% KPI set. However, this was no surprise given the exceptional circumstances of the last 18 months of the COVID pandemic with most staff on furlough. The

Association's ability to achieve its appraisal target was severely hampered by lockdown restrictions, whereby movement on KPIs practically slowed down as other COVID related priorities took over

- Though we restricted funding for expenditure on staff training during the COVID-19 period to statutory and mandatory online training, we were able to establish our Leadership and Development Programme and we now have 9 managers and supervisors fully enrolled and participating in the CIM accredited programme, helping to ensure that we build and maintain a highly skilled workforce
- By investing 43% of our annual recruitment spend, we were able to implement a new HR information software system in 2020. As a result, we successfully digitised and streamlined almost all of our HR processes including recruitment and performance appraisal review processes
- We developed and produced a new Home Working Policy, a new 'enhanced' Maternity, Adoption & Paternity Policy as well as a Staff Wellbeing Policy which were approved for implementation last November 2020 and 1st April 2021 respectively
- Though we were unable to recruit new apprentices during the COVID pandemic period, during 2020-21 we continued to support the development of existing staff completing apprenticeship courses at NVQ levels 2, 3 and 5 in Business Administration, Childcare, Fitness, Housing and Human Resources.



Our Opportunities

- Following some successful conversations with Brentwood Council, we're soon to take over the Brentwood Foyer building from Clarion Housing. The building will become known as YMCA Brentwood and 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 have taken over a café space which we will be branding and opening up in the coming months. The plan for this space is to eventually provide hot meals for our nurseries in the south
- We have recently completed on our new 39 move-on units – Park View - on our Rush Green Road site. Our Housing team moved 39 residents in from the Romford hostel, and have also back-filled the hostel rooms too
- Further work is needed to determine the viability of the development of the Rush Green site and we are continuing to look at options – the redevelopment very much remains a priority and we're working hard to come up with the best proposal.



Our Quality

- To ensure that quality remains high and consistent across our service, over 500 cases were audited by senior members of staff during the year. Audits are measured against our service standards, best practice, pledges and regulatory compliance
- To ensure that our resident engagement and inclusion programmes functions to the highest standard, and works to a recognised framework, we are now members of the Tenant Participation and Advisory Service (TPAS) where we are aiming to achieve accreditation for our service
- Our contracted services with local authorities are subject to quarterly delivery audits. During the year, four audits were undertaken and all were found to be compliant with no required improvements
- During the year, we carried out a number of exercises to educate residents on the power of complaints and compliments as a form of service improvement. Residents have embraced this and understand that complaints are very much welcomed equally as compliments are
- We are now members of the HouseMark Bench Marking Club for smaller providers. This will allow us to compare how we perform across the sector and create opportunities to learn from others.



Our Risks

- Through delivery of our internal audit plan we assessed our performance against our Risk Management Policy and Procedures, reporting findings to the Audit & Risk Committee in October 2020
- We have made some progress towards increasing our turnover in order to grow our surpluses to meet future spending commitments, however progress has been slowed due to the impact of the Covid-19 Pandemic on services
- All new business opportunities have a separate risk plan to enable us to monitor and mitigate risks.

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 into its care. Knowing that everyone 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.

As with all departments the housing and support service was significantly affected by the challenges of COVID-19, however the impact did not lead to a reduction in service but a significant increase in demand, we saw our waiting list for accommodation and support increase by 80%. Family relationship breakdown, increased homelessness-outreach and widespread job losses were the main factors for increased demand.

Thankfully, we have a dedicated workforce who worked through the entire pandemic and was able to support our resident and many others during this time as you will see as you continue to read.

During 2020/2021, we accommodated 542 people, of which 472 were tenant holders, 52 were children with the remaining 18 being partners. We provided floating support service to around 42 young people, either as first contact or as part of their resettlement plan.

In addition to this and in response to the increased demands of COVID-19 we also supported 31 residents directly from our waiting list into the private sector, referred a further 36 residents to support services closer to their preferred location and worked with our local authorities to house 42 residents within the local housing stock.

Although much of our education, training and employment programmes decreased significantly during the year our activities with our residents doubled, like much of the country our residents found themselves restricted to their homes, it was important that we offered our residents as many distractions as possible to help them through this time. We utilised much of the unused space to provide several social rooms where activities were held such as movie nights, arts and crafts and individual fitness spaces.

During the year we saw the introduction of our much-needed mental health worker at Romford and our in-house counselling service at Dartford, the impact of which is significantly noticeable even with the added stresses that lockdown placed on people's mental health.

During the year our work with our local authorities increased significantly, we have been dedicated in ensuring that we play an active role within their housing challenge, increased pathways have been introduced with all leaving and aftercare teams to ensure those leaving care have continued support and accommodation.

We are working with our partners at Havering Council to establish our first HMO (House of Multiple Occupancy) specifically for those individuals with complex needs, such as offending behaviour and dependency for drug and alcohol. Due to the complex nature of these individuals, they often find themselves assessed out of mainstream supported housing and end up living on the streets. This clientele is no less vulnerable than any other group and deserve equal opportunity for support and a home. Our aim is to duplicate this approach in all locations.

YMCA THAMES GATEWAY

TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

To the end of the year staff focussed on preparing residents for moving into our new Park View development and backfilling the hostel, Staff were able to secure £40k worth of furniture grants for residents to set up their home and £27k of discretionary rent payments to give them the best start possible.

Our key highlights:

- Despite the challenges of the pandemic, we continued to provide a high-quality service
- We maintained income and occupancy at target level despite a downward trend in the sector
- We saw the introduction of our specialised mental health worker and counselling service
- We crowd-funded over £18k towards residents' deposits for their move-on accommodation
- The team secured over £26k in grants and crowd-funding to prevent eviction due to high rent arrears
- We supported more non-residents with debt, homelessness prevention and one-to-one guidance than before
- The team secured £27K worth of pre-rents and £40k of furniture grants to support those moving into Park View
- Our partnership work continues to thrive we us playing a more active role in local housing strategies
- The service generated £10,443,366.00 of social value during this period
- £434k of value for money initiatives and savings recorded through the housing service for 2020-2021.

CHILDREN'S SERVICES REVIEW

Our Children's Services support families in five main settings within, Havering, Barking & Dagenham, Bexley and North Kent (Dartford). We offer After School Clubs and Holiday Clubs, as well as Preschool and Nursery full-day, early years childcare. 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).

Early Years

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 2020/2021, we cared for 428 children in our Early Years Settings and 311 children attended our After School and Holiday Clubs.

Throughout the pandemic, most early years provisions were closed between March and September. Therefore our figures are strong considering we were only offering a service for children of key and critical workers for 40% of a very challenging year. All settings opened with a phased approach in September and have been building their occupancy back up since then.

- Our Temple Hill Nursery and Romford Preschool sites offered a service for the children of key and critical workers. Romford Preschool lost a number of children due to the pandemic and, at the end of March 2021, sat at 35%. This has however, built back up and we're now operating at over 75% occupancy, as is Temple Hill Nursery
- Our Lakeside Nursery reopened in June but again mainly for families working within the emergency services or for our most vulnerable families. As of March, it is operating at 23% occupancy - as a new setting, this is in line with expectations

Since 2019, we have been offering a new support service for our most vulnerable families through our new Family Inclusion Project. This project has seen our funded Family Inclusion Co-ordinator working with caseloads for 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.

Our family support work has grown during the pandemic and we provided support to over 100 of our families. We also sent activities to **all** families so they had activities to complete with their children at home as well as organising digital programmes for them to take part and join in. Our family inclusion work has also been recognised and shortlisted for the National Nursery World COVID-19 Hero Award.

Birthday Parties

Due to the pandemic, we have not been able to offer birthday parties, in line with Government guidelines. However, we have used the downtime to review our parties and are excited to offer a new range of themes from September 2021. These will include science, jungle and design-your-own sports party. We have also increased our range of additional items to allow more personalisation to parties.

After School Clubs

The pandemic really affected the After School Club service, with the Government recommending that if people can work from home, they should, as well as schools being closed for much of the time (except for the children of key and critical workers). In order to remain relevant, we were offering our families activities they could do at home throughout the closures – these were activities to do together as a family. We also provided food-based Happiness Hampers to support our families that really needed help throughout the pandemic.

So, while we did see a signification drop in numbers over the course of the year - which considering the Government's guidance is not surprising - we remained open to offer our community and schools this service. We worked with the schools to reduce, or stop, rental costs to support these services. We unfortunately did lose one After School Club, which was partly due to a change in leadership and a desire to run an inhouse service. But on the flip side, from September 2021, we will be offering a new After School Club at Crownfield School in Collier Row, and a Breakfast Club at St. Peter's Primary School in Romford. We are hopeful that numbers will continue to increase as parents/carers return to work.

Holiday Club

Throughout the pandemic, we offered our community Holiday Club service although, for financial reasons, and knowing the demand wouldn't be as high as normal, we offered a slightly reduced service.

In April 2021, we were awarded Holiday Activities and Food funding through the London Borough of Havering. This meant that we could offer Holiday Club spaces during the Easter holidays and for four weeks of the summer holidays, to families living in Havering whose children receive free school meals. This has brought in an additional £86K of funded revenue to support the programme. It also means our numbers are really strong, reaching 50 children under 12 each day, as well as helping us to launch a youth group for the first time.

Our Children's Services highlights:

- Providing over 600 families with weekly activity packs and resources to engage with at home during the pandemic
- Securing an additional £198K which will allow us to continue with the Family Inclusion Project for the next five years
- Seeing a 90% uptake on parents using the Parent Zone app, which resulted in more parents contributing to their child's learning journals as well as offering the option to make payments online
- Shortlisting of our Family Inclusion Co-ordinator for the COVID-19 Hero Award at the National Nursery World Awards
- And finally, receiving £86K in Holiday Activities and Food funding to support children to attend our Holiday Club provision in Romford.

HEALTH AND WELLBEING REVIEW

Our Health and Wellbeing Services operate out of our Romford branch, 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 rehabilitation
- after school clubs
- PE lessons (Activ8)
- specialist sports, gym sessions and classes for young people, seniors and people with additional needs

During 2020/2021, our peak month for Direct Debits was in September 2020 with 825 fully paid memberships. Our lowest month was March 2021 with 663 Direct Debits. We did however pick up 5 new customers in January 2021, which is testament to our digital offering being something people want.

Throughout the pandemic, we had to focus on maintaining our direct debit membership. We were able to achieve this through offering a digital online class programme, one-to-one Personal Training sessions, and reintroducing our classes that achieve 50% or more occupancy levels. Logistically this meant moving classes around to maximise the space we have to allow members to attend classes in safe manner.

Both Barking and Dagenham and Havering hosts a large number of gyms and sports centres, and as such, the market is a busy one. From previous research, we know that our members are loyal because they feel part of a community, part of something more than just a gym. By staying in contact with them throughout the lockdown, and by amending our fitness offering based on demand, we have continued to provide an inclusive and highly supportive environment. We pride ourselves on focusing on mental health and social needs alongside physical needs and we will be concentrating on the 40+, special needs and family market.

YMCA Thames Gateway remains committed to offering a vital service to the community and we're constantly reviewing our pricing structure to remain competitive. A recent review of our price points has provided more flexibility for our members.

With the COVID-19 pandemic we have kept our digital offer and it is now included within our membership packages. We completed the virtual RPM room project and launched this in September 2020. We have streamlined our external hirers offer and have ensured they are all on same rates. We have introduced YMCATG basketball and brought in new business from hockey and Irish dancing, to working with the NHS as a nominated venue for blood donation.

Our Health and Wellbeing highlights:

- Launching a Digital Programme as part of our membership offer
- Offering Personal Training both online and one to one, face to face
- Supporting our residents with additional physical activities
- Virtual RPM Room
- Online booking system for both gym and classes
- Small gifts to show support our vulnerable groups (Senior citizens and Stroke rehab)
- Streamlining our external hirers pricing and packages.

YOUTH SERVICES REVIEW

The Woolwich Youth Zone (WYZ) is home to the majority of our youth work offering, although a junior youth club is also run from our Romford site by a group of volunteers.

During the last year at WYZ, we have introduced both one-to-one mentoring (staff to child) and schools group mentoring to work alongside our older and younger clubs. We have also developed these clubs to be based on trauma-informed and therapeutic principles, and include varied activities and discussions (as suggested by young people) and support spaces, ensuring clubs are a safe, consistent hub for young people.

At the start of 2020, the Youth Team were trained in trauma-informed and therapeutic ways of working, and put these into practice both at clubs and as we launched our one-to-one mentoring programme. The plan was to then relaunch clubs (where attendance was low) at Easter, outreaching to the community and letting them know about the provision on offer. Sadly, this couldn't go ahead as the pandemic forced our clubs to close. However, aware of the importance of consistent support in such unsettling and changing times, the team quickly adapted the clubs to be run online, and we were able to offer these straight away to young people without missing a session.

One-to-one mentoring

The one-to-one mentoring quickly grew and developed in line with increasing need, as young people struggled in lockdown, often in small and crowded housing. Some of our most vulnerable young people weren't able to get online and so their mentoring took place outside to ensure continued support.

We were also able to secure 10 laptops and two internet dongles to help support young people who didn't have suitable equipment or internet at home, which meant they were unable to complete their studies and were falling behind. Many of the young people we support through our 1 one-to-one mentoring programme are also on Social Services plans as they cope with family trauma. Over the last year we have solidified relationships with other services (Social Services, Early Help, Schools, CAMHS etc.) to holistically support these young people, who tend to engage best with our service.

Clubs

During the summer holidays in 2020, we were able to offer a series of small group, structured outside sessions which were very popular, giving young people an opportunity to get out, socialise and try new activities. We then went on to launch schools group mentoring during the autumn term in Royal Greenwich Trust school. Through these eight interactive sessions, 'at risk' young people practice methods to help them to build resilience, develop communication and teamwork skills, and grow in self-worth and confidence. Monitoring and feedback showed that all the young people improved in their skills and understanding, and enjoyed the programme - and the school invited us back to work with two more groups in the summer term.

As we came out of lockdown late summer, clubs reopened and then sadly we had to close them again over the winter. However, we introduced online expressive graffiti art, dance and music workshops, which were very popular with the young people.

Since March we've seen the benefits of our clubs being consistently open. Those aged 12-19 have re-established the club as their 'safe space' and attendance has grown, as some have brought their friends along too. Attendance at the younger club remains low but steady. We've also developed the music studio project to accommodate more varied needs.

The COVID-effect

Last fiscal year, despite the pandemic and a short-staffed team, we worked with 41 unique young people and ran 133 one-to-one sessions, alongside eight schools mentoring sessions, and numerous outside activity workshops, online Zoom sessions and clubs. The team have also had regular training, embedded trauma-informed and therapeutic principles in our ways of working, and redeveloped our Skills and Safeguarding Matrixes to better support young people.

Our Youth Services highlights:

- Embedding trauma-informed and therapeutic ways of working
- Developed clubs to be trauma-informed, a consistency safe space where young people have ownership and there are opportunities for learning, development, friendship and self-expression for all
- Launched and developed one-to-one mentoring programme (staff to child), with 133 one-to-ones completed
- Launched Schools Group Mentoring with 100% of young people who took part showing improvement
- Skills and Safeguarding matrix development.

YMCA THAMES GATEWAY

TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 2021 was £6,465,127 (£6,269,962 2019/20), and expenditure was £6,530,977 (£6,441,702 2019/20). This resulted in a small operating deficit of £65,850 on the year, before the pension revaluation charge.

Financial performance was significantly impacted during the year by the pandemic, with many of our community services having to close during lockdowns. This reduced service income by around £800k compared to income levels in the previous financial year. We were able to successfully offset this reduction in income by utilising the Government's Job Retention Scheme grants and COVID-19 support grants, as well as growing our housing income during the year, with income from social housing increasing by £411k compared to 2019/20 income levels. Overall this meant that income increased by around £200k in the year, which was a 3% increase on 2019/20.

Despite this increase in income from social housing lettings, we had expected to open our new Park View development in the year, which suffered delays on construction. This meant that overall income from Housing was lower than expected, and this impacted on our bottom line surplus.

Expenditure was controlled well during the year, and we only saw a small increase in expenditure compared to the prior year, and this was despite additional expenditure on cleaning and costs associated with the YMCA West Kent merger being incurred.

Investment performance for the year was very positive with the portfolio value bouncing back from the losses suffered in February and March 2020 with an increase in portfolio value over the year of around £300k. Conversely there was a triennial pension revaluation carried out during the year, which saw increases to the scheme deficit and so we have had to increase our pension provision by £277k in line with the increase in deficit. This has been disclosed as a separate item on the income and expenditure account of its impact on our results.

After interest charges, investment performance and the pension fund revaluation, the overall deficit for the year was £51,755.

Our cash position worsened significantly in the year, mainly due to the build costs associated with the Park View development. Managing our cashflows has been a key aspect of the last financial year, considering the impact from the COVID-19 impact and the Park View development. As a result, we have developed a Treasury Management and Annual Investment policy to support our treasury function moving forwards.

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.

YMCA THAMES GATEWAY

TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The key funding sources have come 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.

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.

VOLUNTEERS AND FUNDRAISING

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 an international volunteer from Columbia.

We currently have 51 active volunteers registered with YMCA Thames Gateway, fulfilling roles on our Board and committees as well as supporting social groups for vulnerable members of our communities. During the pandemic, we were overwhelmed by the response from our communities, which saw a number of people come forward to support with food hamper delivery, make donations and find out more about how they can get involved with our work.

LIST OF FUNDERS

Our Fundraising team secured £241,130.57 in total, made up of £132,569.77 in grants (including business support grants) and a further £132,735.09 from fundraising and community fundraising activities. We received a grant from Kent County Council for our Dartford-based housing services, and for the provision of free places at our nurseries.

There has been a large amount of COVID-response funding available and we have been fortunate to receive financial support from a number of places. We would particularly like to note the following funders and partners:

- Asda Foundation
- Bericote Properties Ltd
- British Science Week
- Card Factory Foundation
- Charlton Athletic Community Trust
- Dartford Borough Council
- Kent Community Foundation
- Kent Police Property Fund
- LandAid
- London Community Response Fund
- Mayor of London's Office
- neighbourly
- Sport England
- Stone Parish Council
- Tesco Bags of Help
- The Rotary Club of Woolwich

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

- BBC Children in Need
- Greater London Authority
- Kent County Council
- Royal Borough of Greenwich

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 £44,644, compared to £60,071 in 2019/20, the decrease being primarily linked to the drop in portfolio valuation at the start of the year and reduction in dividend yield during the pandemic. The portfolio value grew by £306k over the year due to the bounce back of share values, which had fallen in March 2020 at the outset of the pandemic. At 31 March 2021, our portfolio value totalled £1,686,629.

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 £1,589,044 which covers approximately 13 weeks of operating expenditure at current expenditure levels. This is slightly below our target level of free reserves and our plan in future periods is to create surpluses to build our reserves.

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 generated £627,593 of value for money savings. This was a combination of additional income, cashable and non-cashable saving, and was achieved across all departments. Here are some highlights:

- £365,000 of additional housing rental income secured through a forensic review of service charges and operating costs
- £47,000 of free and heavily discounted Microsoft operating licenses through our IT team
- £26,300 in crowdfunding raised by the Housing team to settle residents' arrears to help avoid eviction
- £25,000 secured by the Fundraising team to fund vouchers for our food bank and community hamper project
- £20,150 grant obtained by the Fundraising team to provide extra meals for residents and additional support during the COVID pandemic
- £18,750 worth of free counselling service secured for our most vulnerable residents.
- £18,000 worth of move-on deposits raised by the Housing team to support residents' transitional journeys
- £15,000 secured by our Fundraising team to support our family inclusion work
- £10,000 worth of additional support from an international volunteer, arranged through the Human Resources team
- £5,000 worth of savings by the Human Resources department by delivering 16 in-house training courses
- £2,000 discount secured through our Quality and Compliance team for core training packages.

PLANS FOR FUTURE PERIODS

Despite having an approved five-year business plan, covering us until the end of 2022, we developed a revised set of objectives to see us through until the end of 2022. These were agreed following a three-session business planning activity, involving YMCA Thames Gateway's Leadership Team, and are based on the unprecedented situation we find ourselves with the COVID-19 pandemic.

People development

The pandemic demonstrated the commitment of our staff. We will succeed if they succeed, and so we will continue to invest in them and their development:

- We will set up a staff reference group which will help us continue to improve the staff experience and benefits

YMCA THAMES GATEWAY

TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

- We will work with our BAME staff to understand how we are doing as an employer and report our findings to the Board
- We shall continue our Leadership Development Programme and involve YMCA Thames Gateway in the Leadership Roadshow.

Forward to post COVID-19

We need to transition from the world as it looks – and how we look - post COVID-19 into the new normal:

- To design and implement develop the “reopen plans” for all sites
- To develop robust financial plans that ensure financial covenants are met
- To stress test and scenario plan for the areas that may need to adapt and change.

Deepen relationships and amplify our voice

The pandemic has given us a huge leap forward both in our communities and with new partners. We should preserve and grow these partnerships, amplifying our voice:

- Preserve and develop community partnerships through a new plan
- Design and implement a new stakeholder engagement plan
- Amplify our voice with a new “Here for Good” communications drive.

Over the line

Several key developments will be completed so that increased services can be delivered:

- West Kent merger including The Bridge Trust – to complete and integrate into the YMCA Thames Gateway family
- Brentwood Foyer – to complete on the purchase and open this new branch
- Park View modular build at Rush Green – to complete and open the accommodation
- Masterplan for Romford – to complete the planning process, and design/secure the delivery and partnership model
- Greenwich community hub – complete pre-planning and design service models.

Technology acceleration

Having good technology can support a business to become the best it can be:

- A redesigned, streamlined website that offers a better visitor experience
- Develop the Workplace platform to offer more of an intranet facility
- Utilise the Inform platform to its full potential.

Deeper and stronger

Listen and adapt to our members’ feedback as habits and needs change:

- Build upon and grow the success of “digital fitness”
 - Develop our impact measurement tools to understand what members need/want
- Build a GAP analysis of all services

YMCA THAMES GATEWAY

TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

YMCA Thames Gateway is a Christian community, a Housing Association offering sports, arts, education, retail, fitness and wellbeing, youth and children's services, and international programmes. YMCA Thames Gateway was established in 2020 following a merger between YMCA Thames Gateway and YMCA West Kent. 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, Tonbridge 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. This year has been incredibly challenging but we aim to touch the lives of a large number of people each year – through our housing offering, Health and Wellbeing services, Early Years and primary settings, youth services and 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.

RESPONSE TO THE COVID-19 GLOBAL PANDEMIC

As stated in last year's report, the COVID-19 pandemic that spread across the world had a detrimental impact on our services and finances. Our first closure was on 23rd March 2020, with the first half of the 2020-21 financial year really feeling the impact.

However, with some creativity, teamwork and desire not to be beaten, we were able to shift our fitness moving to an online, digital presence which retained a large number of members. Our childcare services remained open throughout, providing vital support to the keyworkers working in our schools, in our hospitals and in our supermarkets, to name but a few.

One huge piece of work that we delivered was around supporting families who found themselves in food poverty during the pandemic, perhaps due to job loss or furlough. Thanks to some fantastic work by our Fundraising team, funding was secured to provide hundreds of food hampers, as well as additional meals for our residents and small gifts to show our social group members that we were thinking of them during what was an incredibly challenging time, mentally, emotionally and physically.

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. This created a welcomed shift in the perception about what we do, and we're keen to harness this going forward from both an understanding and fundraising perspective.

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

YMCA THAMES GATEWAY

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2021 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YMCA THAMES GATEWAY

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the 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 trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors 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 directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YMCA THAMES GATEWAY

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Housing SORP 2018, Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, Employment Law, Data Protection GDPR, Health and Safety and safeguarding of vulnerable people.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to investment properties.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Testing a sample of Coronavirus Job Retention Scheme claims to assess the reasonableness and accuracy of these claims.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YMCA THAMES GATEWAY

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.

Sailesh Mehta (Senior Statutory Auditor)
For and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor

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

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YMCA THAMES GATEWAY**INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	£	2021 £	£	2020 £
Income	3		6,465,127		6,269,962
Cost of sales					
Pension revaluation charge		(277,163)		-	
Other		(4,648,674)		(4,605,863)	
			<u>(4,925,857)</u>		<u>(4,605,863)</u>
Gross surplus			1,539,270		1,664,099
Administrative expenses			<u>(1,882,303)</u>		<u>(1,835,839)</u>
Operating deficit	4				
Deficit before pension revaluation charge		(65,870)		(171,740)	
Pension revaluation charge		(277,163)		-	
			<u>(343,033)</u>		<u>(171,740)</u>
Interest receivable and similar income	7		44,644		60,071
Interest payable and similar expenses	8		(69,756)		(60,318)
Fair value gains and losses on fixed asset investments	9		306,390		(203,817)
Fair value gains and losses on investment properties	13		10,000		61,000
Deficit before taxation			<u>(51,755)</u>		<u>(314,804)</u>
Tax on deficit	11		-		-
Deficit for the financial year			<u>(51,755)</u>		<u>(314,804)</u>

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

YMCA THAMES GATEWAY**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2021**

	Restricted funds	Revaluation reserve	Designated funds	Income and expenditure	Total
	£	£	£	£	£
Balance at 1 April 2019	7,525	4,635,533	7,789,351	1,438,407	13,870,8166
Year ended 31 March 2020					
Deficit and total comprehensive income for the year	(2,795)	-	-	(312,009)	(314,804)
Other movements	-	(103,012)	1,579,287	(1,476,275)	-
Balance at 31 March 2020	4,730	4,532,521	9,368,638	(349,877)	13,556,012
Year ended 31 March 2021					
Deficit and total	9,657	-	-	(61,412)	(51,755)
Other movements	-	(103,012)	(1,897,321)	2,000,333	-
Balance at 31 March 2021	14,387	4,429,509	7,471,317	1,589,044	13,504,257

YMCA THAMES GATEWAY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28	(80,156)		2,725,929	
Interest paid		(18,476)		(975)	
Net cash (outflow)/inflow from operating activities		(98,632)		2,724,954	
Investing activities					
Purchase of tangible fixed assets		(2,923,514)	(1,612,645)		
Cash from investment portfolio		44,644	610,071		
Net cash used in investing		(2,878,870)		(1,002,574)	
Financing activities					
Proceeds from borrowings		1,584,305	200,975		
Repayment of borrowings		(114,347)	-		
Payment of pension obligations		(135,654)	(131,701)		
Net cash generated from financing activities		1,334,304		69,274	
Net (decrease)/increase in cash and cash equivalents		(1,643,198)		1,791,654	
Cash and cash equivalents at beginning of year		1,904,349		112,695	
Cash and cash equivalents at end of year		261,151		1,904,349	

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 prolonged Covid-19 outbreak. The trustees consider that the pandemic 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 2021

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.

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 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.

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 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.

1.12 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

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

1.13 **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.

1.14 **Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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.

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment properties

Determining the fair value of the charity's investment properties as at each balance sheet date involves an element of estimation. The last valuation was carried out by Balmores in 2016, who are not connected with the company. Following on from this, the fair value as at the year end have been agreed to third party websites. The resulting estimation uncertainty is managed by referring to available market evidence for similar properties.

Pension liability

Determining the value of the charity's defined benefit pension liability involves an element of estimation. The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Income/Service charges

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

For the year ended 31 March 2021

	Turnover	Operating costs	Operating surplus
	£	£	£
Social housing lettings			
Rent	2,261,672	(2,050,796)	210,876
Service charges	1,626,308	(1,636,937)	(10,629)
Social housing grant	534,619	(528,627)	5,992
Other income	26,427	(26,427)	-
	<u>4,449,026</u>	<u>(4,242,787)</u>	<u>206,239</u>
Non-social housing			
Health and wellbeing	129,994	(373,575)	(243,581)
Child and family services	916,529	(1,064,190)	(147,661)
Youth services	79,277	(110,261)	(30,984)
Catering services	44,711	(80,361)	(35,650)
Other activities	275,560	(89,793)	185,767
Other income	570,030	(570,030)	-
	<u>2,016,101</u>	<u>(2,288,210)</u>	<u>(272,109)</u>
	<u>6,465,127</u>	<u>(6,530,997)</u>	<u>(65,870)</u>

For the year ended 31 March 2020

	Turnover	Operating costs	Operating surplus
	£	£	£
Social housing lettings			
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>
Non-social housing			
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>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Income/Service charges

Rent and services void losses total £188,242 (2020 – £95,520) and are netted off in the above figures for 2020 and 2021.

Other income relates to amounts received under the Coronavirus Job Retention Scheme as a government grant.

4 Operating deficit

	2021	2020
	£	£
Operating deficit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	18,000
Depreciation of owned tangible fixed assets	317,981	307,718
Operating lease charges	<u>35,329</u>	<u>36,996</u>

5 Employees

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

	2021	2020
	Number	Number
Housing	43	41
Community health	14	15
Children's services	78	75
Youth services	4	3
Catering services	17	17
Executive team	10	6
Corporate services and administration	20	21
Site operations and cleaning	18	19
Membership and reception	20	20
	<u> </u>	<u> </u>
Total	<u>224</u>	<u>217</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	3,830,634	3,773,107
Social security costs	269,435	261,257
Pension costs	<u>453,294</u>	<u>155,336</u>
	<u>4,553,363</u>	<u>4,189,700</u>
Redundancy payments made or committed	<u>12,991</u>	<u>9,634</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The average monthly number of full-time equivalent employees of the association was 157 (2020: 133).

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

	2021	2020
	Number	Number
£60,000 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £100,000	1	1
	<u>4</u>	<u>4</u>

6 Executive staff emoluments

	2021	2020
	£	£
Emoluments	434,102	393,999
Pension contributions	28,871	26,041
Total emoluments	<u>462,973</u>	<u>420,040</u>

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

	2021	2020
	£	£
Emoluments	<u>95,931</u>	<u>95,217</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 Executive were £7,674 (2020: £7,582).

7 Interest receivable and similar income

	2021	2020
	£	£
Income from fixed asset investments		
Income from other fixed asset investments	<u>44,644</u>	<u>60,071</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Interest payable and similar expenses	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	18,476	975
Other interest on financial liabilities	27,573	32,491
	<u>46,049</u>	<u>33,466</u>
Other finance costs:		
Unwinding of discount on pension obligation	23,707	26,852
	<u>69,756</u>	<u>60,318</u>
9 Fair value gains/(losses) on fixed asset investments	2021	2020
	£	£
Gain on disposal of fixed asset investments	472	13,970
Movement in market value	305,918	(217,787)
	<u>306,390</u>	<u>(203,817)</u>

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, expenses 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 (2020: £nil).

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Freehold buildings	Leasehold land and buildings	Assets under construction	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2020	13,724,530	1,883,975	577,782	1,788,331	89,902	83,772	18,148,292
Additions	229,645	-	2,584,409	109,460	-	-	2,923,514
At 31 March 2021	13,954,175	1,883,975	3,162,191	1,897,791	89,902	83,772	21,071,806
Depreciation and impairment							
At 1 April 2020	1,254,823	474,534	-	1,568,031	87,645	83,772	3,468,805
Depreciation charged in the year	172,914	37,680	-	106,765	622	-	317,981
At 31 March 2021	1,427,737	512,214	-	1,674,796	88,267	83,772	3,786,786
Carrying amount							
At 31 March 2021	12,526,438	1,371,761	3,162,191	222,995	1,635	-	17,285,020
At 31 March 2020	12,469,707	1,409,441	577,782	220,300	2,257	-	14,679,487

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 2021

13 Investment property

	2021
	£
Fair value	
At 1 April 2020	570,000
Net gains or losses through fair value adjustments	<u>10,000</u>
At 31 March 2021	<u><u>580,000</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 2021. 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

	2021	2020
	£	£
Listed investments	1,683,211	1,381,096
Cash	<u>3,418</u>	<u>3,756</u>
	<u><u>1,686,629</u></u>	<u><u>1,384,852</u></u>

Movements in fixed asset investments

	Investments other than £	Cash £	Total £
Cost or valuation			
At 1 April 2020	1,381,096	3,756	1,384,852
Valuation changes	305,918	-	305,918
Investment income	-	44,644	44,644
Investment management fees	-	(4,613)	(4,613)
Disposals	(3,803)	4,275	472
Transfer to bank	-	(44,644)	(44,644)
At 31 March 2021	<u>1,683,211</u>	<u>3,418</u>	<u>1,686,629</u>
Carrying amount			
At 31 March 2021	<u><u>1,683,211</u></u>	<u><u>3,418</u></u>	<u><u>1,686,629</u></u>
At 31 March 2020	<u><u>1,381,096</u></u>	<u><u>3,756</u></u>	<u><u>1,384,852</u></u>

15 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	<u>8,257</u>	<u>6,805</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Debtors: amounts falling due within one year

	2021	2020
	£	£
Service charges due	263,814	258,750
Other debtors	10,509	12,644
Prepayments and accrued income	293,148	123,620
	<u>567,471</u>	<u>395,014</u>

17 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Other borrowings	19	608,937	427,736
Trade creditors		463,970	201,166
Taxation and social security		64,663	74,183
Other creditors		247,154	113,901
Accruals and deferred income		148,162	685,421
		<u>1,532,886</u>	<u>1,502,407</u>

18 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Other borrowings	19	2,405,547	1,089,217
Accrued pension deficit contributions	21	838,338	685,371
		<u>3,243,885</u>	<u>1,774,588</u>

19 Loans and overdrafts

	2021	2020
	£	£
Other loans	3,014,484	1,516,953
	<u>3,014,484</u>	<u>1,516,953</u>
Payable within one year	608,937	427,736
Payable after one year	2,405,547	1,089,217
	<u>3,014,484</u>	<u>1,516,953</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Loans and overdrafts

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 £205,320 was withdrawn from this facility as is classed as a short-term creditor on the balance sheet.

YMCA Thames Gateway have drawn down loans totalling £1,580,000 from Charity Bank to finance the build of 39 new units of accommodation on the Rush Green Road site.

20 Deferred grants

	2021 £	2020 £
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).

21 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	176,111	155,336
Pension revaluation charge	277,163	-

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.

Multi-employer plan

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 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, which represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £36 million and the recovery period is 8 years commencing 1 May 2021. 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. YMCA Thames Gateway has accounted for its share of the deficit as a defined contribution plan, on the basis that it is only liable for its share of the deficit and due to the set-up of the multi-employer plan, it is not possible currently to quantify the potential amount that YMCA Thames Gateway may be called upon to pay in the future.

The valuation has increased the pension provided by £277,163 in line with the increase in deficit.

YMCA Thames Gateway has recognised its share of the deficit based on monthly contributions of £11,304 from 1 May 2021 over the recovery period and applying a discount factor of 10%.

YMCA Thames Gateway is responsible for 4.53% of the deficit.

22 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.

23 Restricted funds

	2021 £	2020 £
At the beginning of the year	4,730	7,525
Incoming resources	45,000	15,285
Resources expended	(35,343)	(18,080)
At the end of the year	<u>14,387</u>	<u>4,730</u>

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

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Revaluation reserve

	2021 £	2020 £
At the beginning of the year	4,532,521	4,635,533
Other movements	(103,012)	(103,012)
At the end of the year	<u>4,429,509</u>	<u>4,532,521</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 revaluation.

25 Designated funds

	Pension reserve £	Investment revaluation reserve £	Property asset fund £	Total £
At 1 April 2019	(796,999)	117,309	8,469,041	7,789,351
Other movements	111,628	12,291	1,455,368	1,579,287
At 31 March 2020	(685,371)	129,600	9,924,409	9,368,638
Other movements	(264,203)	577,074	(2,210,192)	(1,897,321)
At 31 March 2021	<u>(949,574)</u>	<u>706,674</u>	<u>7,714,217</u>	<u>7,471,317</u>

The pension reserve reflects both the short term and long-term elements of the deficit reduction payments due on the defined benefit pension scheme. See note 18.

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, related borrowings and grants. In combination with the property revaluation reserve, it represents the net book value of properties held.

26 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:

	2021 £	2020 £
Within one year	55,329	35,329
Between two and five years	125,632	185,759
	<u>180,961</u>	<u>221,088</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Related party transactions

There were no disclosable related party transactions during year (2020: £nil).

28 Cash (absorbed by)/generated from operations

	2021	2020
	£	£
Deficit for the year after tax	(51,755)	(314,804)
Adjustments for:		
Finance costs	69,756	60,318
Investment income	(44,644)	(60,071)
Investment management charges	4,613	5,571
Fair value gain on investment properties	(10,000)	(61,000)
Depreciation and impairment of tangible fixed assets	317,981	307,718
Gain on sale of investments	(472)	(13,970)
Unrealised (gain)/loss on fixed asset investments	(305,918)	217,787
Pension scheme non-cash movement	271,299	-
Increase in deferred income	-	2,107,500
Movements in working capital:		
(Increase)/decrease in stocks	(1,452)	821
Increase in debtors	(172,457)	(77,657)
(Decrease)/increase in creditors	(157,107)	553,716
Cash (absorbed by)/generated from operations	(80,156)	2,725,929

29 Analysis of changes in net funds/(debt)

	1 April	Cash	Market	31 March
	2020	flows	value	2021
	£	£	£	£
Cash at bank and in hand	1,904,349	(1,643,198)	-	261,151
Borrowings excluding overdrafts	(1,516,953)	(1,657,594)	160,063	(3,014,484)
	<u>387,396</u>	<u>(3,300,792)</u>	<u>160,063</u>	<u>(2,753,333)</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

30 Residential units under management

	2021	2020
	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	9	3
Defiance Walk	40	40
Sarah Turnbull House	44	43
	—	—
Total	319	312
	==	==

31 Non-adjusting post balance sheet event note

Post year end YMCA Thames Gateway merged with YMCA West Kent on 1 April 2021.