



YMCA THAMES GATEWAY GROUP

SERVING COMMUNITIES IN ESSEX, KENT & LONDON

**YMCA**

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Here for young people  
Here for communities  
Here for you

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

**YMCA THAMES GATEWAY GROUP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# YMCA THAMES GATEWAY GROUP

## COMPANY INFORMATION

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

<b>Registered office</b>	YMCA Thames Gateway Group Rush Green Road Romford Essex RM7 0PH
<b>Auditor</b>	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
<b>Bankers</b>	National Westminster Bank PLC 10 South Street Romford Essex RM1 1RD
<b>Solicitors</b>	Bates Wells 10 Queen Street Place London EC4R 1BE
<b>Investment managers</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP

# YMCA THAMES GATEWAY GROUP

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# **YMCA THAMES GATEWAY GROUP**

## **CEO AND CHAIRMAN'S REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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We hoped – like everyone else – that COVID-19 would be a distant memory in this year's report but sadly, at the time of writing, it is still very present. Although it's not affecting our business as much as it was during the last financial year, it still remains in daily conversation.

It's thanks to the pandemic that this year has remained challenging for our YMCA but it's also shown the resilience and passion that our staff, residents and members have.

In April 2021, we were still meeting online more than in person and working from home was the norm. However, on 12 April, we were delighted to be able to reopen our gym and welcome members back in to work out. Divider screens were in place, and wearing masks while moving around the building was encouraged, but it was starting to feel 'normal' again. Not long after, on 17 May, we restarted group exercise classes, with reduced numbers at this stage but it was wonderful to have so many people back in our Romford hub. On 19 July Government restrictions were completely lifted in regards to exercise and we were able to offer full capacity classes once again.

Yet during the pandemic, people welcomed the flexibility to work from home more and this has really changed things for us. Working out at home, thanks to online fitness offerings; being able to pick children up from school and bring them home again means less need for after school clubs or holidays clubs - just two of the examples that have affected our service delivery areas.

So we have had to adapt and change, to accommodate this new flexibility. From 1 September, we started opening our gym 24 hours a day, providing members and residents with somewhere to channel their energy at a time that suits them. We have continued to work with local councils, creating and delivery food hampers to families in need. We have retained our enhanced online fitness programme, allowing people to work out at home should they choose to. We have had to make some difficult decisions to close a couple of our after school clubs. But every decision taken has been for the good of the business and the communities we serve. We're fortunate that, as an organisation, we're able to adapt and flex to community need – it's one of the unique traits of YMCA.

From a Governance point of view, there were a few changes to our Board. Sue Unsworth-Tomlinson resigned 20 September 2021 and former Vice Chair, Desmond Potter, resigned as a Trustee on 29 November 2021. We thank them immensely for their support and time over their years with us. However, we also officially welcomed Mark Farrar and Ann Furminger, who were appointed on 1 September 2021. Both Trustees joined us from the YMCA West Kent Board as part of the merger's governance arrangements, agreed between both organisations.

While there have been challenges and concerns, there have been more positives and highs for Thames Gateway Group this past year. We have shown ourselves to be tough in the face of adversity, present and reactive, always supporting our communities – just as our founder, George Williams, hoped for when he started the movement back in 1844.

We are here for good.

**Mark Saunders**  
Chair

**Dave Ball**  
CEO

# YMCA THAMES GATEWAY GROUP

## TRUSTEES' AND DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The Trustees and Directors present their report along with the financial statements of the group and charitable company for the year ending 31 March 2022. 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

##### Board of Management

##### Trustees

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

- Mark Saunders (Chair)
- Father Martin Howse (Resigned 7 March 2023)
- Rita Asamoah
- Cheryl Burden (Vice Chair)
- Mark Farrar (Appointed 20 September 2021)
- Ann Furminger (Appointed 20 September 2021)
- Soji Otudeko (Treasurer)
- Desmond Potter (Resigned 29 November 2021)
- Jennifer Samuels
- Dominic Scott-Malden
- Alice Strevens
- Sue Unsworth-Tomlinson (Resigned 20 September 2021)

##### Company Secretary

Karen Knapp

##### The Executive Team

- Chief Executive - Dave Ball
- Executive Director of Finance & Resources - Paul Setterfield ACMA, CGMA (Left February 2023)
- Interim Executive Director of Finance and IT - Elizabeth Cockburn ACMA, CGMA (Joined February 2023)
- Executive Director of Operations - Steve Brightwell
- Director of Housing - Brian Cooke (Left November 2022)
- Director of Housing - Richard Bellis (Joined February 2023)
- Director of Marketing, Communications & Fundraising - Laura Coyle
- Director of People - Remi Tondou
- Director of Programmes - Joanna Read (Left July 2021)
- Director of Quality & Compliance - Karen Knapp
- Executive PA - Heather Stevenson

## **ORIGINS AND MISSION**

YMCA believes in fairness and opportunity. There are essential building blocks for a full and rewarding life: a safe home; acceptance; guidance; friendship; physical and mental health; academic support; employment skills; and access to real opportunities.

Many young people have never known these things; other people have lost one or more as they grew up, but we all need them.

All of us. At YMCA, we provide these critical foundations for a fresh, strong start for young people and a better quality of life in the community. Just like 22-year-old draper George Williams did, way back in 1844. George, along with 11 friends, organised the first Young Men's Christian Association (YMCA), a refuge of Bible study and prayer for young men seeking escape from the hazards of life on the streets of London.

Today, YMCA has grown to serve more than 65 million people in 120 countries regardless of age, race, gender, sexual orientation or socio-economic background. As the largest and oldest youth charity in the world, YMCA Thames Gateway Group is extremely proud to be one of the 116 independent, local YMCAs spread across England and Wales.

YMCA Thames Gateway was formed in 2015 following the merger of YMCA Romford and YMCA Thames Gateway (South). In April 2021, a further merger with YMCA West Kent saw the Association become YMCA Thames Gateway Group. In January 2022, a smaller yet very relevant housing charity, based in West Kent - The Bridge Trust - joined the family and became The Bridge Trust Project.

Serving 21 communities in eight boroughs, YMCA TGG 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 through our work which is broken down into five core areas:



### **Accommodation**

YMCA is the largest provider of safe, supported housing for young people in England and Wales. Our philosophy of supporting young people holistically means we provide not only a bed but also help a young person gain the training, skills and confidence to go on to lead independent lives. Through our numerous sites, across five boroughs, we provide 476 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 are an Ofsted registered childcare provider, offering nursery, preschool, after school clubs, holiday clubs and youth-focused activities to over 4,000 children each year. We also run parent and toddler provisions and birthday parties where we engage with over 3,000 children and families per year. We support many of the vulnerable families in our communities through funded places and our family inclusion work.



### **Health and Wellbeing**

Supporting good mental and physical health was incredibly important during the COVID pandemic, and this focus has continued. 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 currently have over 1,750 registered members using our fitness facilities, and while we have found that a number of people have continued to exercise from home post-pandemic, our digital offering has increased to include more of our instructor-led classes.



### **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. We helped 620 young people develop basic life skills, 381 with work and employment skills, and 109 with mental health support.



### **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 2021/22 financial year, our support workers helped 567 vulnerable young people, offering housing and benefits advice among other areas, 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.

## **2021/22 INTERIM OBJECTIVES**

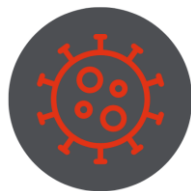
The revised set of objectives developed off the back of the unprecedented situation we found ourselves in with the Covid pandemic will see us through until the end of 2022, and can be seen below. However, it should be noted that a new strategy has been developed by the Leadership team and was approved by the Board in March 2022. Alongside the strategy, priorities and actions for the first year (2022-23) have been agreed.



### **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
- 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.

**STRATEGIC REPORT**

The descriptions under the following headings meet the company law requirements for the Trustees to present a strategic report:

- Achievements and Performance
- Housing Review
- Children's Services Review
- Health and Wellbeing Review
- Financial Review

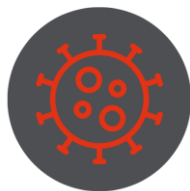
**ACHIEVEMENTS AND PERFORMANCE**

This section details our achievements and performance against the 2021/22 interim objectives, set to see us through until December 2022.

**People development**



- Though workforce capacity and recruitment issues temporarily blighted our course of achievement over the past year, we remain committed to the set-up of a staff reference group. This task will most likely be integrated with the piece of work on 'Great Place to Work' in our new five-year objectives
- We galvanised BAME staff to attend group meetings - one at leadership level and the second where all BAME staff were invited to an open BAME Forum to share and discuss their experiences at YMCATG as well as contribute any ideas or initiatives. The Board's EDI Champion was kept up to date by the Chief Executive
- We have successfully enrolled a number of our managers and upcoming leaders onto the Leadership Development Programmes, in which they can achieve Level 3 or Level 5 CMI accreditation. This is now an established programme that has entered its second year of enrolments, so far three people have successfully completed the 18 months course and we have had a few extensions. Our leaders have hosted and continue to be involved in the Leadership Roadshows with a number of other YMCAs across the country.



**Forward to post COVID-19**

- Reopening plans were designed and involved staff from core areas of the business. They were amended as Government information came to light, and restrictions were lifted. However, this was always with our more vulnerable community members at the heart, as well as understanding the use of some of our buildings had changed for our residents
- Financial plans were developed and once this report is complete, information will be shared.



**Deepen relationships and amplify our voice**

- Community partnerships, especially linked to our Dartford branch, have continued to thrive. These have resulted in additional funding for community projects being secured, and future plans being developed
- A stakeholder engagement plan is in development with personas being identified and agreed to aid communication with our different audiences. In addition, a new focus on customer impact and member journey in 2022/23 will complement this work further
- "Here for Good" is becoming language used through our written work and a development of our brand guidelines will embed this further in the coming months.



**Over the line**

- The integration of YMCA West Kent into the YMCA Thames Gateway family started in April 2021, with The Bridge Trust coming into the fold in January 2022. System integration work continues and restructure work is also underway to ensure we're working as one team across the entire Association
- Brentwood Foyer was purchased and a significant refurbishment piece of work was successfully completed. The first residents moved in to our newest branch in early July 2022 and by November we were full. That meant 40 new homes for vulnerable young people
- Park View, after numerous delays outside of our control, officially saw its first residents move in in July 2021. The modular build has provided high quality move-on accommodation for 39 young people, and was officially opened at an event in September 2021. The building has since been nominated for an architectural award and we're awaiting the outcome
- Plans for the redevelopment of the Romford site are underway and both the London Borough of Barking & Dagenham and the London Borough of Havering are fully supportive of our plans. Pre-planning is underway, partners have been secured, and work continues on his exciting development
- The conversations around the Greenwich community hub have ceased for the time being due to unrealistic costs relating to the housing element of the scheme. It is hoped the conversation will be resurrected.



**Technology acceleration**

- A new YMCA Thames Gateway website was introduced in October 2021 after more than 18 months of development. The website is now on brand and meets national brand requirements as well as a better user experience for all
- Workplace – the internal communications channels used by YMCA Thames Gateway – has the potential to offer an intranet solution at no cost. Work has begun with branded documents and templates now available through the Knowledge Library functionality, and a hub for the organisation’s Policies and Procedures currently underway, due to be completed in March 2023
- The housing offer in West Kent has now been integrated onto Inform, and the functionality of the platform is being explored further.



**Deeper and stronger**

- Our digital fitness offer continues and the offer has grown, thanks to a demand in this area of our work. Online booking for the gym and classes has also been retained post-pandemic, as regulation of use allows us to monitor the attendance/no-shows as well as popularity of activities
- Following the departure of the Strategic Information Manager in September 2020, a revaluation of what was needed from this role has taken place and a new role created. The Head of Customer Experience and Impact joined the organisation in July 2022 and will shape the way we engage with our members, develop a customer experience strategy and look at impact measurement tools to influence our work.

## YMCA THAMES GATEWAY GROUP

### TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### HOUSING REVIEW

Our Housing service has traditionally operated within four main locations - Romford, Dartford, Greenwich and Ashford. However, in the 2021/22 financial year, our activity has extended into Tonbridge, Tunbridge Wells and Brentwood.

We strive to provide good quality supported housing that is designed to break the cycle of homelessness. If done correctly, with the right support, many residents go on to live the most fulfilling lives - but equally homelessness prevention in the right circumstances can prove to be the most appropriate solution. Following the success of our homelessness prevention work during the COVID-19 pandemic, we have continued with this initiative in many areas of operation, ensuring young people remain within the family home where possible.

Our Housing and Support offer provides a core service that is duplicated across all locations. This is primarily built around best practice, high standards and our mission. Equally all locations work very differently depending on contract requirements and demands of the local authorities. This flexibility in service, and our ability to mobilise quickly to the need of local housing strategies and challenges, has allowed us to grow, secure additional opportunities and remain relevant where other providers struggle. In many areas of operation, we are proud to say that we are considered the supported housing provider of choice.

**During 2021-22, we accommodated a total of 502 adults and children across our stock. In that time, 26,000 hours of direct support were delivered with over 1,500 third-party referrals made to enhance the support received. There were 87 successful move-ons during the year, with 100% of those residents still maintaining a tenancy after their first six months.**

#### Development

During this period, we purchased a disused building - previously operated by The Foyer Federation - in Brentwood, and worked with the Local Authority to design an offer that would benefit the community. Not only will this make 40 much-needed accommodation units available, it also creates an exciting opportunity for YMCA Thames Gateway to develop a new branch of operation. We're excited about our future role in Brentwood and our friends at Brentwood Council have expressed their excitement of having a YMCA in their borough.

This financial year also saw the coming together of YMCA Thames Gateway and West Kent YMCA. This merger provided an excellent opportunity to bring together a wide variety of skills and experience to enhance the delivery of further bed spaces of supported housing. This joining of forces has begun to open up additional opportunities with both the local authorities and the county council which will see the branch grow over the next 12 months.

#### Our residents

Resident engagement was an area of priority for the Housing team during 2021/22, with an aim of ensuring that residents were actively contributing to the delivery of the services that they received. During the year, there were 38 residents involved in the resident panels. We joined TPAS (Tenant Participation Advisory Service) as a mark of our commitment in this area and to ensure we are using all tools and best practices. Each location has a Residents' Forum which not only focuses on the housing offer but also the other services residents benefit from such as catering, health and wellbeing and property. This has ensured that a collective responsibility and response for the holistic service that is received.

In addition, activities were – and continue to be - developed to enhance a resident's stay with us. Time and time again research has presented that the negative effects of living within a hostel environment is damaging to resident's mental health and wellbeing. Thankfully our

## YMCA THAMES GATEWAY GROUP

### TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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residents have always had access to additional activities such as the gymnasium and education. However the service is adamant that residents will not simply occupy a room. It has been made a core mission that residents will have an experience with us that will leave a lifelong impression. Our resident activities have increased by almost 200%, with some activities being organised and delivered by residents as well as staff. We have embedded our residential programme that has seen 75 residents from our entire network benefit from time away at Othona, and we're currently working on a number of international opportunities to broaden our resident's life experience.

#### **Our accommodation**

During the year, the Housing and Property services worked together to roll out a new minimum room standard. This saw a more modern room specification delivered to a higher standard which has made our rooms more inviting and easier to let, with one recent resident commenting "**Wow, I was not expecting this - this is amazing**". We have also found that the rooms that have received an upgrade have positively impacted on repair and void costs, as rooms are returned in a much better condition.

Although we came out of the COVID-19 lockdown during this period, the post pandemic recovery had only started and will remain a challenge for a number of years. The main impacts on the housing services during this period were:

- Residents who had been on **furlough** were being made redundant, and many residents faced unemployment post furlough - support staff helped them navigate through and secure alternative rental streams such as housing benefit
- Moratorium on legal action around tenant arrears, often referred to as the **ban on eviction act**, ended and those with the highest rent areas in tenanted properties moved into verification stage of pre-action protocol ready for judicial eviction. Following intensive support and sheer determination by staff, out of the 12 possible legal cases, only one resulted in eviction
- The **Everybody-in campaign**, designed to move as many street sleepers into accommodation during COVID-19, slowed down and saw a reduction in referrals and parental evictions. Other demands on the service equally reduced during this time, so staff shifted strategies and managed to maintain good occupancy levels
- During lockdown, supported housing was exempt from many restrictions within the housing sector. This gave us the opportunity to move more residents in to local authority housing and private rental than previously, but sadly this slowed down significantly in the post-pandemic environment. Move-on accommodation is again a challenge for staff and residents.

We generated £11million worth of social value with a net value of £9.7 million. This equates to a ratio of 7:1. For every £1 we spend running our service, we generate £7 of social return. The HACT value calculator has allowed us - for the first time - to include some of the property improvement works within this year's assessment, giving us a broader understanding of our social value.

As is often the case, behind any successful service is an incredible team of staff whose commitment and dedication to the people we serve is unquestionable, often putting the needs of our customers above their own. It is those staff that we recognise and celebrate within this year's housing update.

## **CHILDREN'S SERVICES REVIEW**

Our Children's Services support families in settings across the Local Authorities of Havering, Barking & Dagenham, Bexley and North Kent (Dartford). We offer After School and Holiday Club provision as well as Preschool and Nursery early years childcare settings. Most of our provision is based within Local Authority (LA) target areas, meaning we work with some of the more vulnerable families within the LA's community and the majority of our early year's income comes from LA 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 Early Years Pupil Premium (EYPP).

### **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 After School and Holiday Club provisions, we have developed curriculums that ensure that children are provided with opportunities to belong, contribute and thrive.

**During 2021/2022, we cared for 404 children in our Early Years settings and 536 children attended our After School and Holiday Clubs.**

Following on from the pandemic during 2020 and 2021, many of our settings opened with a phased approach and we have been building their occupancy back up throughout the 2021/22 academic year.

- Unfortunately, our Swanscombe Preschool had to close its doors in January 2022. Recruitment of a manager and deputy was very challenging and unsuccessful; rent costs were high; and the use of both playrooms was removed by the landlord for 35% for the week – therefore the setting was no longer deemed financially viable. This is reflected slightly in the number of Early Years children cared for across the year of 2021/2022 compared to the previous year (down to 404 from 428)
- Throughout the year, both our Temple Hill and Oakfield nursery provisions have built their occupancy back up to 80-90% against both site's maximum occupancy numbers
- Our Lakeside nursery built its numbers from 23% occupancy in March 2021 to 48%. As a new setting, opening just six months prior to the pandemic, this is most definitely in line with its expectations. This nursery currently has a maximum capacity of 58 children per session, but the space is being reconsidered. This is due to the space requirements for the different ages being cared for, as we are currently looking after a larger number of children under two years of age.

Since 2019, we have been offering a 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 worked closely with the Special Educational Needs Co-ordinators to ensure that all children's needs are met to the highest standard.

Our family support work has developed and grown each year, and last year we provided support to over 500 of our families. We provided families with activities, and used online digital platforms to run workshops and support sessions for many of our families throughout the pandemic - this has evolved further throughout 2021/2022. We have held many workshops from understanding the EYFS, story sacks, behaviour support and school readiness support with hints and tips to use at home. We have also successfully organised family events such as fun-days, six-week challenges that promote family health and wellbeing, and festive parties supported by the Local Authorities. Each event has reached over 100 families, with over 300

## **YMCA THAMES GATEWAY GROUP**

### **TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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families attending our family fun-day events! Our Family Inclusion Co-ordinator, Hayley McCann, was recognised with a National Nursery World COVID-19 Hero Commendation ([www.nurseryworld.co.uk/other/article/nursery-world-awards-2021-covid-19-hero](http://www.nurseryworld.co.uk/other/article/nursery-world-awards-2021-covid-19-hero)),

#### **Birthday Parties**

Due to the pandemic, we were unable to offer birthday parties until July 2021, 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 July 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, and we were still able reach over 3,000 children between July 2021 and March 2022.

#### **After School Clubs**

The pandemic impacted the extent to which families rely on After School Club services because of the introduction of hybrid working. Many families are using this increased flexibility to manage their childcare responsibilities in a way that minimises their reliance on After School Club services.

So, while we did see a signification drop due to the pandemic, our numbers have been slowly increasing in our offsite provisions. We worked with the schools to reduce rental costs to support these services. In September 2021, we made the decision to close the After School Club offered onsite at YMCA Romford (for Drapers' Maylands Primary School) earlier than planned due to it no longer being cost effective and the school's desire to run inhouse. Within the same month, we opened a new After School Club at Crownfields Primary School in Collier Row, and a Breakfast Club at St. Peter's Primary School in Romford.

The Temple Hill after school provision has been ticking along slowly. There are between seven and 12 children on role each evening, and we continue to collect from The Gateway and Dartford Primary Academy schools in Kent. We plan to try and build numbers but this is very restrictive in terms of recruitment as the club is run by the nursery team.

#### **Holiday Club**

We were awarded Holiday Activities and Food (HAF) funding through the London Boroughs of Havering and Barking & Dagenham. This meant that we could offer Holiday Club spaces during Easter, four weeks of the summer holidays and December school holidays, to families living in Havering and Barking & Dagenham, whose children receive free school meals. This has brought in an additional £150,538.34 of revenue to support the programme. It also means our numbers are really strong – around 60 children per day - and we have created additional awareness within our community. We hope that this programme will be running for the next two years.

In February 2022, we received the news that we had been successful in applying for HAF funding in Kent, which allowed us to run a small 20-place holiday provision in our Temple Hill nursery during the Easter Holiday period. This generated an additional £4,880 in March/April 2022.

## 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 2021/22, our Direct Debit paying members accounted for 678 members, with an additional 94 paying annual memberships and a further 1,003 registered as "Pay and Play" – a total of 1,775 members.**

We continue to battle with the saturated gym and fitness market in both Barking & Dagenham and Havering, with no less than 10 large-scale, known branded gyms within a five-mile radius. Many of our members remain loyal because they enjoy being part of the community we offer, as well as being able to exercise somewhere relaxed and comfortable. We're very grateful to them for their loyalty and support.

With it playing a prominent role during the COVID-19 pandemic, we have retained our digital offer and it is now included within our standard membership packages. We completed the development of a virtual RPM room, which launched in September 2020, and is an alternative offer for those that want to take a class at a time that suits them. We have brought in new business through the NHS blood donation drive, hosting sessions on a regular basis.

Our Health and Wellbeing highlights:

- Continuing our digital programme as part of our membership offer, streaming through our classes onsite
- Condensing our membership packages to ensure a clear offer
- Securing £6,000 of funding for our Cancer Rehab programme
- Welcoming our Senior Citizen's Group into Health & Wellbeing
- Reviewing room hire, introducing community rates and streamlining all prices
- Relaunching the climbing wall
- Supporting a resident on his personal journey of their development of becoming a personal trainer
- Introducing a Personal Training tiered system, depending on specialism of the PT
- Supporting our residents with additional physical activities
- Our gym becoming a 24-hour offer
- Development of an online booking system for both gym and classes.

## **YMCA THAMES GATEWAY GROUP**

### **TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### **YOUTH SERVICES REVIEW**

This year at Woolwich Youth Zone (WYZ) we have worked with 154 children and young people through one-to-one mentoring, group mentoring and clubs. Half of these young people are regulars, attending six sessions or more. We've also met a further 263 children and young people through detached outreach work in the Woolwich area.

This year we have run 45 Schools Group Mentoring sessions, working with 60 'at risk' young people in the local secondary school. In addition, through our centre on the Woolwich Dockyard Estate, we have provided 84 club sessions and trips, 35 music workshops and 39 facilitated sport sessions, which were focused on introducing children and young people to new sports. We've also welcomed new team members to fill staff vacancies - a new Therapeutic Youth Worker, Sessional Worker and Youth Work Manager.

#### **Clubs**

At the start of the academic year in September 2021, we were unable to reopen clubs due to staff shortages. However, we offered weekly sports sessions to connect with regular attendees and ran detached outreach sessions to meet new young people, informing them about YMCA and the services we offer.

We were able to restart our clubs in November - Mondays for 12-18-year olds and Tuesdays for 8-11s - and have seen the number of attendees significantly grow ever since. We secured funding to purchase a refurbished Mac computer as well as software for our music studio, and now offer group sessions as well as one-to-one time in the recording studio. These music workshops are a great opportunity for children and young people get creative, express themselves and tell their story, with the added opportunity to develop skills.

We also secured funding to run facilitated sports sessions such as street dance, Muay Thai boxing and tag rugby, and partnered with Fight for Peace, a local youth charity, to offer boxing sessions with a professional coach - a big favourite with the youth. We took a group to 'Snow Camp', an amazing opportunity they wouldn't otherwise have, to learn to ski or snowboard alongside developing life skills in group workshops. All who participated were awarded a certificate and are keen to continue the course.

Our clubs are full of varied, changing, fun activities shaped by child and youth feedback. This year these have included arts and crafts, cooking workshops, indoor and outdoor sports, games, 'skills builder' and mentoring activities - such as a teamwork or communication challenges, and we have a sensory 'chill space' and a "Let's Talk" corner with topical discussions and quizzes.

Through continued training, procedure review and the introduction of team reflective practice, we've grown as a trauma informed provision. Principles of safety, trustworthiness, choice, collaboration and empowerment are embedded. Our clubs are designed to be a fully inclusive 'safe space', particularly for any vulnerable children and young people and those 'at risk' (e.g. to becoming NEET or involved in crime), and layout, plans and practices are regularly reviewed based upon their feedback. Our staff ratios ensure a leader is always available for a one-to-one chat, offering support, and 264 of these took place at clubs last year. Comprehensive briefings, debriefings, client risk assessment and safeguarding matrixes ensure concerns and feedback are picked up and acted upon. Necessary referrals are made and, in some cases this year, we've continued to work alongside social services and schools to better support children and young people.

#### **Mentoring**

In the last year we've provided over 60 one-to-one mentoring sessions and informal 'drop ins' for children and young people who need further support. An example of this casework is Diego.

Diego is a 13-year-old boy who lives in a crowded flat with his extended family. The team, observing him at clubs and in school, noticed he displayed indications of neurodivergence, particularly autism. As a result, he found it difficult to interact and was vulnerable to bullying. His mentor helped him to process his emotions and improve his verbal communication. He thrived from this focused attention, grew in resilience and there's been noticeable improvement in how he interacts with his peers. Through our recommendation, the school they are now assessing him for autism.



All the children and young people we've worked with over the last year, in both one-to-one mentoring and Schools Group Mentoring, have shown significant improvement on our Skills Matrix. This matrix enables us to measure progress in teamwork and relationships, self-awareness, leadership and communication skills, resilience, confidence and a healthy lifestyle.

Our Schools Group Mentoring programme has worked with 60 new young people this year - 30 girls and 30 boys - in school years 7 and 8. This eight-week programme teaches the areas of the Skills Matrix through interactive sessions combining group activities, discussions, visual and kinaesthetic tasks, alongside opportunities for individual reflection. Young people who've taken part in this programme have told us that these sessions have helped them to become better listeners, reflect on their behaviour and be more responsible, express their emotions better, resolve conflicts and grow in confidence so they're now able to speak up and share their thoughts in class and make friends.

## YMCA THAMES GATEWAY GROUP

### TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### FINANCIAL REVIEW

YMCA Thames Gateway Group'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 Venue hire, training and investment income. During the year, we acquired a subsidiary, YMCA West Kent, which is recognised in our operating income as a gift of £3,108,812.

Turnover for the 12 months ending 31 March 2022 was £8,360,539 (exclusive of the gift mentioned above) (£6,465,127 2020/21), and expenditure was £8,632,036 (£6,808,140 2020/21). This resulted in an operating deficit of £271,497 on the year (operating deficit of £343,033 2020/21).

Following the lifting of lockdown restrictions in July 2021, our services were able to start rebuilding. We faced challenges as we found, like other businesses, that our trading environment had changed significantly. We have had to realign our activities to cater for changing demand from our members and customers. Our budget for 2021-22 reflected our expectation that it would take some time for us to fully recover from the impact of lockdown on our business model. Despite this, our income was £208,760 less than planned in the budget.

We were very pleased to open our new social housing development, Park View, during 2021/22. This provided much needed move-on accommodation for our residents and had a positive impact on our revenues during the year.

In view of the challenging recruitment environment, our Board agreed that we should implement an association wide minimum wage of £10 per hour, meaning that no staff member would be paid less than this amount. This came into effect from the 1<sup>st</sup> of April 2021. The full impact of this increase was mitigated by savings due to vacancies. Overall, our staffing costs were £801,409 higher than the previous year. However, there were £865,986 of additional costs arising in respect of the new subsidiaries acquired. Operating expenditure was controlled well during the year, we were able to offset some of our income shortfall compared with budget with £148,645 savings against our operating costs budget.

Investment performance for the year was positive with the portfolio value bouncing back from the losses suffered earlier in the year. After interest charges, investment performance and the addition of West Kent YMCA to our Group, we are pleased to report a surplus of £2,858,424 (2021: deficit of £51,755) for the year.

Our cash position was adversely impacted by the renovation costs of our new social Housing units in Brentwood. Managing our cashflows has been a key aspect of the last financial year. We were able to use our Treasury Management and Annual Investment policy, introduced last year, to support our treasury function. We have been able to increase our cash and cash equivalents by £414,064 during the year.

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.

## **INVESTMENT POLICY AND PERFORMANCE**

During the last financial year (20/21), the Board instructed our investment managers, Barclays Wealth, to maintain a balanced portfolio with a medium level of risk. 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.

The quarter to the end of March 2022 saw asset values reduce by £30k despite good growth in March where there was a bounce back from losses suffered in January and February. Dividend distributions over the quarter from the fund totalled around £8k. The fund balance now stands at £1.78m, and we saw growth over the 21-22 financial year of around £100k. We have a portfolio finance facility which provides access to cash at short notice. Our fund manager confirmed that there is minimal exposure to Russian stocks. Approximately 3.5% of the portfolio is in emerging market debt, with only a small exposure to Russia. Our emerging market equity exposure is largely Asian focused so there is minimal Russian exposure from here. There is no exposure to Russian companies within our direct holdings in either bonds or equities, albeit some companies will have underlying business exposures. This we continue to monitor carefully. In aggregate this adds up to a total exposure in the Barclays Charity Fund of circa 0.1%.

Income from investments was £44,800, compared to £44,644 in 2020/21. At 31 March 2022, our portfolio value totalled £1,780,581.

## **RESERVES POLICY**

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

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

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

The Board consider that the free reserves should cover a minimum of four months operating expenditure. At the end of the financial year free reserves totalled £2,547,693 (£1,589,044 2021/22) which covers approximately 5 months of operating expenditure at current expenditure levels.

The Reserves Policy is reviewed annually by the Finance Committee.

## YMCA THAMES GATEWAY GROUP

### TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### LIST OF FUNDERS

YMCA Thames Gateway is registered with The Fundraising Regulator and the Group has adopted and abide by The Code of Fundraising Practice. This ensures we have a strong fundraising framework and that we are compliant with the Data Protection Act 2018 in all our fundraising activities.

Our Fundraising team secured **£362,089** in total, made up of £76,260 in grants and a further £285,829 from fundraising and community fundraising activities.

We have been fortunate to receive financial support from a number of companies and would particularly like to note the following funders and partners:

- Amazon
- Arnold Clark Community Foundation
- Asda Foundation
- Bericote Powerhouse
- Dartford Borough Council
- Havering Changes/ACE
- Kent Community Foundation
- LandAid
- London Youth
- Mayor of London's Office
- Neighbourly
- Sport England
- Stone Parish Council
- Tesco Bags of Help
- The Rotary Club of Woolwich
- William Kendall Small Grants Scheme

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
- The National Lottery Community Fund

#### VOLUNTEERS AND FUNDRAISING

Unfortunately, the pandemic meant that we were unable to welcome any international volunteers into our YMCA this year but we were hugely grateful to all the local volunteers who gave up their time to support with food hamper delivery, make donations and find out more about how they can get involved with our work.

## **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 £207,654 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:

- £39,000 secured through the Reaching Communities Fund to support our family inclusion work
- £21,500 donation from Dartford Borough Council to support the community café at the Roundhouse
- £40,000 raised locally to support the furnishing of the properties at Park View
- £25,000 savings made through partnership-working with a recruitment agency, securing 50% discount on staff and no finders fees
- £6,000 funding secured through Kent County Council to facilitate reconnect fun days
- £25,000 COVID response fund granted from YMCA England & Wales
- £15,800 worth of move-on deposits raised by the Housing team to support residents' move-on to independent living
- £800 savings made from acquisition of charity rate antivirus software.

**PLANS FOR FUTURE PERIODS – REVISED OBJECTIVES 2022-2027**

Following several business planning sessions, a new set of strategic objectives were developed. These are shared below, with more specific objectives detailed on the next page. The progress made against these will be monitored by our Quality and Compliance team, and regular reports will be provided to our Board of Trustees.

**1. STRENGTHEN THE BRANCHES**

**We will strengthen existing branches**

This will include looking to develop new areas of work in current branches which will ensure that they are financially sustainable, offer a balanced portfolio of work and are of a high quality. We will develop our skills to win significant contracts, and our capacity to deliver them. New branches will only be developed within the Gateway or Kent area. These geographies include South Newham, Ebbsfleet, Basildon, Gravesham, and the Medway towns.



**2. INVEST IN OUR PEOPLE**

**We will become a 'Great Place to Work' and aspire to be the very best employer**

We will provide competitive salaries and annual leave, plus a wealth of health and wellbeing initiatives. We will be a flexible employer and help people lead balanced lives. We know that to be the best we need to attract and retain the best people. We will identify and invest in leaders, nurturing talent and providing progression pathways. We will succession plan for key roles.



**3. EMBRACE SUSTAINABILITY**

**We will futureproof YMCA TGG by developing a policy statement and a five-year sustainability strategy**

Our sustainability work will have a broad scope, focusing on business and financial sustainability as well as environmental sustainability around food services, building development and transport.



**4. COMPLETE THE MASTERPLAN**

**We shall complete the Romford Masterplan providing a new state of the art**

YMCA Community Hub for Havering and Barking & Dagenham residents. We shall use national thought leaders to help us with design and content, and partner with our key stakeholders to ensure the development is a success.



**5. TELL OUR STORY**

**We are a progressive organisation that is open to all**

We shall tell this story in powerful and creative ways, ensuring the communities we serve understand and embrace our mission and our values.



**YMCA THAMES GATEWAY GROUP**

**TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

**DETAIL BEHIND THE NEW OBJECTIVES**



We will strengthen existing branches

We will become a 'Great Place to Work' and aspire to be the very best employer

We will futureproof YMCA TGG by developing a policy statement and a five-year sustainability strategy

We shall complete the Romford Masterplan providing a new state of the art YMCA Community Hub for Havering and Barking & Dagenham residents

We are a progressive organisation that is open to all

Priority 1	Branches to be financially sustainable, offer a balanced portfolio of work and are of high quality	Achieve 'Great Place to Work' Certification	Develop a sustainability strategy which defines the scope of our sustainability work	Provide a new state of the art YMCA Community Hub for Havering and Barking & Dagenham residents	Tell our story in creative ways
Priority 2	Strengthen existing branches which will include the development of new areas of work	Attract and retain the best people in the workplace	Environmental Sustainability Project Steering Group (ESPSG) meets and scopes out the opportunities, priorities and challenges		Ensure the communities we serve understand and embrace our mission and values
Priority 3	Develop our approach to winning significant contracts and our capacity to deliver them	Identify and invest in future leaders			
Priority 4	New branches to only be developed within Essex, Thames Gateway or Kent	Implement and embed a Trauma Informed approach to the workforce			

## **YMCA THAMES GATEWAY GROUP**

### **TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### **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 & Bexley, 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 & Risk 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, birthday parties, education and training programmes, and trading arm.

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.

## **YMCA THAMES GATEWAY GROUP**

### **TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### **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
- Introduction of legislation regulating supported housing provision for 16-17-year olds
- Challenging recruitment landscape meaning we are unable to fill key staff posts
- The unknown impact of the COVID-19 global pandemic and how services will recover post 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.

#### **GOING CONCERN**

Due to the uncertainties generated by the COVID-19 global pandemic, the Trustees agreed a five-year strategy for the Group covering the period April 2022 to March 2027. Our expected operating result for the year ended 31 March 2023 remains a deficit for the Group due to challenges associated with the integration of YMCA West Kent and the ongoing effects of the pandemic. The focus on strengthening the branches is central to the strategy moving forward. In addition, the Finance Committee and Executive are stress testing the key budget income lines to test their veracity under pressure. There are also contingency plans in place should future performance not achieve what is aspired. Plans for closures of the projects that cannot meet required minimum financial standards will be put in place. As a result, the projections from April 2023 are to return to a surplus position. Accordingly, and with the expected ongoing support of our lenders, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to adopt the going concern basis in preparing financial statements.

#### **PUBLIC BENEFIT STATEMENT**

The Group meets the Charity Commission's general guidance on public benefit through the work the Group undertakes to a wide range of people, many of whom are vulnerable, as detailed in pages 30 to 62.

#### **ENERGY AND CARBON REPORT**

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

## **YMCA THAMES GATEWAY GROUP**

### **TRUSTEES' AND DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **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 Group'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 Group's auditor is aware of that information.

The trustees' report, including the strategic report, was approved by the Board of Trustees on 19 April 2023 and signed on their behalf by:

**Mark Saunders**  
Chair and Trustee

## **YMCA THAMES GATEWAY GROUP**

### **TRUSTEES' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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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 group and of the surplus or deficit of the company and group 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 SORP;
- 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 and group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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

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#### Opinion

We have audited the financial statements of YMCA Thames Gateway (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in reserves, the company statement of changes in reserves, the group 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 group's and the parent company's affairs as at 31 March 2022 and of the group's profit 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 group's and parent 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 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 strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

# YMCA THAMES GATEWAY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF YMCA THAMES GATEWAY

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

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 trustees**

As explained more fully in trustees responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to liquidate the charity 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 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 group and 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 group and charity. 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 group and 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 group and charity, together with the discussions held with the group and 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.

# YMCA THAMES GATEWAY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF YMCA THAMES GATEWAY

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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.
- 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.
- Reviewing key consolidation journals.

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 group and 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 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.

**Carol Rudge (Senior Statutory Auditor)**

**For and on behalf of**

**Chartered Accountants**

**Statutory Auditor**

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

.....

# YMCA THAMES GATEWAY

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Income</b>	<b>3</b>	8,360,539	6,465,127
<b>Operating costs</b>		(8,632,036)	(6,808,140)
<b>Operating deficit</b>	<b>4</b>	(271,497)	(343,033)
Gift of subsidiaries	<b>29, 30</b>	3,108,812	-
Interest receivable and similar income	<b>7</b>	44,800	44,644
Interest payable and similar expenses	<b>8</b>	(106,917)	(69,756)
Fair value gains and losses on fixed asset investments	<b>9</b>	99,226	306,390
Fair value gains and losses on investment properties	<b>13</b>	(16,000)	10,000
<b>Surplus/(deficit) before taxation</b>		2,858,424	(51,755)
Tax on profit/(loss)	<b>11</b>	-	-
<b>Total comprehensive income/(loss) for the financial year</b>		2,858,424	(51,755)

As described in note 29, on the first day of the year ended 31 March 2022 the parent was gifted YMCA West Kent. In the year ended 31 March 2021, the group consisted only of the parent charity and therefore the figures in the 2021 column are the entity figures for YMCA Thames Gateway from the prior year.

# YMCA THAMES GATEWAY

## GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		20,798,722		17,285,020
Investment properties	13		944,000		580,000
Investments	14		1,780,581		1,686,629
			<u>23,523,303</u>		<u>19,551,649</u>
<b>Current assets</b>					
Stocks	17	7,411		8,257	
Debtors	18	638,680		567,471	
Cash at bank and in hand		675,215		261,151	
		<u>1,321,306</u>		<u>836,879</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(1,498,194)</u>		<u>(1,532,886)</u>	
<b>Net current liabilities</b>			<u>(176,888)</u>		<u>(696,007)</u>
<b>Total assets less current liabilities</b>			<u>23,346,415</u>		<u>18,855,642</u>
<b>Creditors: amounts falling due after more than one year</b>	20		<u>(4,203,297)</u>		<u>(3,243,885)</u>
<b>Deferred grants</b>	22		<u>(2,780,437)</u>		<u>(2,107,500)</u>
<b>Net assets</b>			<u>16,362,681</u>		<u>13,504,257</u>
<b>Reserves</b>					
Restricted funds	24		113,117		14,387
Revaluation reserve	25		4,326,407		4,429,509
Income and expenditure reserve			11,923,157		9,060,361
<b>Total reserves</b>			<u>16,362,681</u>		<u>13,504,257</u>

As described in note 29, on the first day of the year ended 31 March 2022 the parent was gifted YMCA West Kent. In the year ended 31 March 2021, the group consisted only of the parent charity and therefore the figures in the 2021 column are the entity figures for YMCA Thames Gateway from the prior year.

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

.....  
O Otudeko  
Trustee

# YMCA THAMES GATEWAY

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		18,351,718		17,285,020
Investment properties	13		535,000		580,000
Investments	14		3,023,713		1,686,629
			<u>21,910,431</u>		<u>19,551,649</u>
<b>Current assets</b>					
Stocks	17	7,411		8,257	
Debtors	18	503,286		567,471	
Cash at bank and in hand		245,876		261,151	
		<u>756,573</u>		<u>836,879</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(1,243,027)</u>		<u>(1,532,886)</u>	
<b>Net current liabilities</b>			<u>(486,454)</u>		<u>(696,007)</u>
<b>Total assets less current liabilities</b>			<u>21,423,977</u>		<u>18,855,642</u>
<b>Creditors: amounts falling due after more than one year</b>	20		<u>(4,043,035)</u>		<u>(3,243,885)</u>
<b>Deferred grants</b>	22		<u>(2,780,437)</u>		<u>(2,107,500)</u>
<b>Net assets</b>			<u>14,600,505</u>		<u>13,504,257</u>
<b>Reserves</b>					
Restricted funds	24		66,701		14,387
Revaluation reserve	25		4,326,407		4,429,509
Income and expenditure reserve			10,207,397		9,060,361
<b>Total reserves</b>			<u>14,600,505</u>		<u>13,504,257</u>

As permitted by s408 Companies Act 2006, the charity has not presented its own income and expenditure account and related notes. The charity's surplus for the year was £1,096,248 (2021 - £51,755 deficit).

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

.....

O Otudeko

Trustee

Company Registration No. 06102037

# YMCA THAMES GATEWAY

## GROUP STATEMENT OF CHANGES IN RESERVES

### FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	Restricted funds £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2020</b>		4,730	4,532,521	9,018,761	13,556,012
<b>Year ended 31 March 2021:</b>					
Loss and total comprehensive income for the year		9,657	-	(61,412)	(51,755)
Other movements		-	(103,012)	103,012	-
<b>Balance at 31 March 2021</b>		14,387	4,429,509	9,060,361	13,504,257
<b>Year ended 31 March 2022:</b>					
Profit and total comprehensive income for the year		98,730	-	2,759,694	2,858,424
Other movements		-	(103,102)	103,102	-
<b>Balance at 31 March 2022</b>		113,117	4,326,407	11,923,157	16,362,681

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# YMCA THAMES GATEWAY

## COMPANY STATEMENT OF CHANGES IN RESERVES

### FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	Restricted funds £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2020</b>		4,730	4,532,521	9,018,761	13,556,012
<b>Year ended 31 March 2021:</b>					
Deficit and total comprehensive income for the year		9,657	-	(61,412)	(51,755)
Other movements		-	(103,012)	103,012	-
<b>Balance at 31 March 2021</b>		14,387	4,429,509	9,060,361	13,504,257
<b>Year ended 31 March 2022:</b>					
Surplus and total comprehensive income for the year		52,314	-	1,043,934	1,096,248
Other movements		-	(103,102)	103,102	-
<b>Balance at 31 March 2022</b>		66,701	4,326,407	10,207,397	14,600,505

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# YMCA THAMES GATEWAY

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	33	1,032,283		(215,810)	
Interest paid		(46,431)		(18,476)	
		<u>985,852</u>		<u>(234,286)</u>	
<b>Net cash inflow/(outflow) from operating activities</b>					
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,476,359)		(2,923,514)	
Cash received from gift of subsidiaries		220,173		-	
Other investment income received		44,800		44,644	
		<u>(1,211,386)</u>		<u>(2,878,870)</u>	
<b>Net cash used in investing activities</b>					
<b>Financing activities</b>					
Proceeds from borrowings		1,017,466		1,584,305	
Repayment of borrowings		(377,868)		(114,347)	
		<u>639,598</u>		<u>1,469,958</u>	
<b>Net cash generated from financing activities</b>					
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at beginning of year		261,151		1,904,349	
		<u>675,215</u>		<u>261,151</u>	
<b>Cash and cash equivalents at end of year</b>					

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# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Company information

YMCA Thames Gateway is a private company limited by guarantee incorporated in England and Wales and is a registered provider of social housing. 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.

The group consists of YMCA Thames Gateway and all of its subsidiaries.

##### 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 2019 and the Companies Act 2006.

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 the revaluation of freehold properties which were held at deemed cost as at 2015 on transition to FRS102 and to include investment properties and certain financial instruments 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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

##### 1.2 Gifts of subsidiaries

In the parent charity financial statements, the excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as income in the Statement of Comprehensive Income.

Investments in subsidiaries are accounted for at cost less impairment.

##### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company YMCA Thames Gateway together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### 1.4 Going concern

The Group's financial position, business activities and factors likely to affect its future development are set out within the Trustees' Report. The Trustee Board's recent strategy to improve the financial performance within housing which will ensure that in the forthcoming years financial performance is strong and that cash is generated. Our expected operating result for the year ended 31 March 2023 remains a deficit but is projected to improve and return to a surplus position during the financial year 2023/24. On this basis, and with expected ongoing support of our lenders, the Trustee Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

#### 1.5 Income and expenditure

##### Income

All incoming resources are included in the statement of comprehensive income when the group has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Housing - rent, services and fees for housing related support are recognised in the period to which they relate.

Training and education - income from service level agreements for the provision of training and education is recognised over the period in which the training and education is delivered.

Supported accommodation - income is recognised to the extent that the group has provided contracted services. Licence charges (from residents) are recognised as receivable, and support charges (from local councils) are recognised in the period the support services are provided on an accruals basis. Income received in advance of the provision of services is deferred on a time basis until such time as the services have been performed.

Donations and legacies - income is recognised when the group is entitled to the income, the receipt is probable and the amount can be reliably measured.

Rental income is recognised over the period to which it relates.

Investment income - investment income is recognised when the group is entitled to receipt. Rental income is recognised over the period to which it relates.

Service charge income is recognised when it falls due.

##### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 Accounting policies

(Continued)

##### 1.6 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.

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	75-100 years straight line as per below
Leasehold land and buildings	2% straight line or over the life of the lease
Office equipment	20% straight line
Fixtures and fittings	5-10 years straight line
Motor vehicles	4-5 years straight line

Major components are treated as separable assets and depreciated over their useful economic lives as follows:

Land	Not depreciated
Main fabric/structure	75-100 years straight line
Roof structure	50 years straight line
Windows and external doors	20 years straight line
Heating and electrical	10 years straight line
Kitchens and bathrooms	15 years straight line
Carpark & External structures	25 years straight line
Mechanical and plumbing	25 years straight line
Property improvements	25-50 years straight line
Flooring	10 years 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 profit or loss.

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.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.7 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 Statement of Comprehensive Income.

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

##### 1.8 Fixed asset investments

Listed investments are stated at market value. Any unrealised gains or losses are included within the statement of comprehensive income.

##### 1.9 Impairment of fixed assets

At each reporting period end date, the group 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).

##### 1.10 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.

##### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### **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 profit or loss, 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 profit and loss, 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 profit or loss.

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 profit or loss.

##### **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 group 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.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments 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.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### *Derecognition of financial liabilities*

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

#### 1.13 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.

#### 1.14 Retirement benefits

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

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

#### 1.15 Interest payable

Interest payable is charged to the Statement of Comprehensive Income in the year in which it is incurred.

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income and expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.17 Government grants

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

#### 1.18 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.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.19 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 group's accounting policies, the directors 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 (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### *Valuation of investment properties*

Determining the fair value of the group'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 group. 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.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 3 Income

For the year ended 31 March 2022

	Turnover	Operating costs	Operating surplus
	£	£	£
<b>Social housing</b>			
Rent and housing	2,348,522	2,254,520	94,002
Service charges	1,929,439	1,929,978	(539)
Social housing grant	470,929	467,029	3,900
	<u>4,748,890</u>	<u>4,651,527</u>	<u>97,363</u>
<b>Non-social housing activities</b>			
Other income	664,256	830,133	(165,877)
Health and wellbeing	304,158	391,071	(86,913)
Child and family services	1,328,100	1,395,183	(67,083)
Youth services	87,576	210,261	(122,685)
Catering services	74,728	117,062	(42,334)
Other activities	403,150	287,118	116,032
Other income	749,681	749,681	-
	<u>3,611,649</u>	<u>3,980,509</u>	<u>(368,860)</u>
	<u>8,360,539</u>	<u>8,632,036</u>	<u>(271,497)</u>

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 3 Income (Continued)

##### For the year ended 31 March 2021

	Turnover	Operating costs	Operating surplus
	£	£	£
<b>Social housing</b>			
Rent and housing	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>
<b>Non-social housing activities</b>			
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	366,956	(91,396)
Other income	570,030	570,030	-
	<u>2,016,101</u>	<u>2,565,373</u>	<u>(549,272)</u>
	<u><u>6,465,127</u></u>	<u><u>6,808,160</u></u>	<u><u>(343,033)</u></u>

Social housing entirely relates to supported housing for both this financial year and the prior year.

Social housing for disclosure purposes only includes those activities carried out by the YMCA Thames Gateway as it is the only registered provider in the group.

#### 4 Operating surplus/(deficit)

	2022	2021
	£	£
Operating surplus/(deficit) for the year is stated after charging/(crediting):		
Fees payable to the group's auditor for the audit of the company's financial statements	21,640	20,000
Fees payable to the auditors of subsidiary entities	11,000	-
Government grants	(40,090)	-
Depreciation of owned tangible fixed assets	458,237	317,981
Operating lease charges	85,080	35,329
	<u><u>21,640</u></u>	<u><u>20,000</u></u>

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 5 Employees

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

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
Housing	75	43	34	43
Community health	10	14	10	14
Children's services	63	78	63	78
Youth services	5	4	5	4
Catering services	13	17	13	17
Executive team	9	10	9	10
Corporate services and administration	27	20	19	20
Site operations and cleaning	16	18	16	18
Membership and reception	15	20	15	20
Total	<u>233</u>	<u>224</u>	<u>184</u>	<u>224</u>

Their aggregate remuneration comprised:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Wages and salaries	4,630,398	3,830,634	3,864,571	3,830,634
Social security costs	318,971	269,435	271,957	269,435
Pension costs	405,403	453,294	352,258	453,294
	<u>5,354,772</u>	<u>4,553,363</u>	<u>4,488,786</u>	<u>4,553,363</u>

The pension charge in 2021 includes an extension of the liability for a further two years as a result of the triennial valuation. This was shown separately on the face of the Statement of Comprehensive Income in 2021, but has been included within operating costs in 2022 as this is considered more appropriate.

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

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
£60,000 - £70,000	-	2	-	2
£70,001 - £80,000	3	1	2	1
£80,001 - £100,000	1	1	1	1
	<u>4</u>	<u>4</u>	<u>3</u>	<u>4</u>

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 6 Executive staff emoluments

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Emoluments	445,923	434,102
Pension contributions	27,657	28,871
	<u>          </u>	<u>          </u>
Total emoluments	473,580	462,973
	<u>          </u>	<u>          </u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Emoluments	96,645	95,931
	<u>          </u>	<u>          </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 £7,732 (2021: £7,674).

#### 7 Interest receivable and similar income

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Income from fixed asset investments</b>		
Income from other fixed asset investments	44,800	44,644
	<u>          </u>	<u>          </u>

#### 8 Interest payable and similar expenses

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	46,431	18,476
Other interest on financial liabilities	25,474	27,573
Unwinding of discount on pension obligation	35,012	23,707
	<u>          </u>	<u>          </u>
Total finance costs	106,917	69,756
	<u>          </u>	<u>          </u>

#### 9 Fair value gains/(losses) on fixed asset investments

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gain on disposal of fixed asset investments	253	472
Movement in market value	98,973	305,918
	<u>          </u>	<u>          </u>
	99,226	306,390
	<u>          </u>	<u>          </u>

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2022*

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#### **10 Trustees**

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

#### **11 Taxation**

As registered charities, YMCA Thames Gateway and YMCA West Kent are exempt from UK tax on income and gains to the extent that these are applied to their charitable objects. No UK tax charges have arisen in either charity during the year (2021: £nil).

Additionally, while West Kent YMCA Trading Limited is a trading company, it was loss-making in the year and therefore there was no tax to pay (2021: £nil).

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 12 Tangible fixed assets

Group	Freehold buildings	Leasehold land and buildings	Leasehold improvements	Assets under construction	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At 1 April 2021	13,954,175	1,883,975	-	3,162,191	1,897,791	89,902	83,772	21,071,806
Additions	1,307,776	-	-	-	168,583	-	-	1,476,359
Gifted with subsidiaries	2,591,817	-	310,484	-	354,297	-	81,528	3,338,126
Disposals	-	-	-	-	(15,465)	-	-	(15,465)
Transfers	3,162,191	-	-	(3,162,191)	-	-	-	-
At 31 March 2022	21,015,959	1,883,975	310,484	-	2,405,206	89,902	165,300	25,870,826
<b>Depreciation and impairment</b>								
At 1 April 2021	1,427,737	512,214	-	-	1,674,796	88,267	83,772	3,786,786
Depreciation charged in the year	260,935	37,680	20,897	-	138,130	595	-	458,237
Gifted with subsidiaries	297,155	-	142,135	-	321,728	-	81,528	842,546
Eliminated in respect of disposals	-	-	-	-	(15,465)	-	-	(15,465)
At 31 March 2022	1,985,827	549,894	163,032	-	2,119,189	88,862	165,300	5,072,104
<b>Carrying amount</b>								
At 31 March 2022	19,030,132	1,334,081	147,452	-	286,017	1,040	-	20,798,722
At 31 March 2021	12,526,438	1,371,761	-	3,162,191	222,995	1,635	-	17,285,020

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. The historic cost as depreciated at 31 March 2022 is £6,008,743 (2021: £5,565,101).

At the year end, the net book value included in tangible fixed assets in relation to properties used for social housing activities was £18,375,026 (2021: £15,585,211)

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 12 Tangible fixed assets

(Continued)

Company	Freehold buildings	Leasehold land and buildings	Assets under construction	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2021	13,954,175	1,883,975	3,162,191	1,897,791	89,902	83,772	21,071,806
Additions	1,307,776	-	-	159,390	-	-	1,467,166
Transfers	3,162,191	-	(3,162,191)	-	-	-	-
At 31 March 2022	18,424,142	1,883,975	-	2,057,181	89,902	83,772	22,538,972
<b>Depreciation and impairment</b>							
At 1 April 2021	1,427,737	512,214	-	1,674,796	88,267	83,772	3,786,786
Depreciation charged in the year	236,142	37,680	-	126,051	595	-	400,468
At 31 March 2022	1,663,879	549,894	-	1,800,847	88,862	83,772	4,187,254
<b>Carrying amount</b>							
At 31 March 2022	16,760,263	1,334,081	-	256,334	1,040	-	18,351,718
At 31 March 2021	12,526,438	1,371,761	3,162,191	222,995	1,635	-	17,285,020

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. The historic cost as depreciated at 31 March 2022 is £5,368,743 (2021: £5,565,101).

At the year end, the net book value included in tangible fixed assets in relation to properties used for social housing activities was £16,727,500 (2021: £15,585,211)

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 13 Investment property

	Group 2022 £	Company 2022 £
<b>Fair value</b>		
At 1 April 2021	580,000	580,000
Additions through gift of subsidiaries	380,000	-
Net gains or losses through fair value adjustments	(16,000)	(45,000)
	<u>944,000</u>	<u>535,000</u>
At 31 March 2022	<u>944,000</u>	<u>535,000</u>

The fair value of the investment properties has been arrived at on the basis of a valuation carried out by the Trustees as at March 2022. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

#### 14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	1,243,132	-
Listed investments		1,776,572	1,683,211	1,776,572	1,683,211
Other investments		4,009	3,418	4,009	3,418
		<u>1,780,581</u>	<u>1,686,629</u>	<u>3,023,713</u>	<u>1,686,629</u>

#### Movements in fixed asset investments

Group	Investments other than loans £	Cash £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	1,683,211	3,418	1,686,629
Valuation changes	98,973	-	98,973
Investment income	-	44,800	44,800
Investment management fees	-	(5,274)	(5,274)
Disposals	(5,631)	5,884	253
Transfer to bank	-	(44,800)	(44,800)
	<u>1,776,553</u>	<u>4,028</u>	<u>1,780,581</u>
<b>Carrying amount</b>			
At 31 March 2022	<u>1,776,553</u>	<u>4,028</u>	<u>1,780,581</u>
At 31 March 2021	<u>1,683,211</u>	<u>3,418</u>	<u>1,686,629</u>

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 14 Fixed asset investments (Continued)

##### Movements in fixed asset investments

Company	Investment in group undertakings	Other investments other than loans	Cash	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2021	-	1,683,211	3,418	1,686,629
Additions	1,243,132	-	-	1,243,132
Valuation changes	-	98,992	-	98,992
Investment income	-	-	44,800	44,800
Investment management fees	-	-	(5,293)	(5,293)
Disposals	-	(5,631)	5,884	253
Transfer to bank	-	-	(44,800)	(44,800)
	<u>1,243,132</u>	<u>1,776,572</u>	<u>4,009</u>	<u>3,023,713</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>1,243,132</u>	<u>1,776,572</u>	<u>4,009</u>	<u>3,023,713</u>
At 31 March 2021	<u>-</u>	<u>1,683,211</u>	<u>3,418</u>	<u>1,686,629</u>

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office
YMCA West Kent	1-23 Belgrave Road, Tunbridge Wells, TN1 2BP
West Kent YMCA Trading Limited	1-23 Belgrave Road, Tunbridge Wells, TN1 2BP
The Bridge Trust Corporation	Tower House, Vale Rise, Tonbridge, TN9 1TB
West Kent YMCA Academy Trust Limited	1-23 Belgrave Road, Tunbridge Wells, TN1 2BP

The financial statements consolidate the results of YMCA West Kent, West Kent YMCA Trading Limited, The Bridge Trust Corporation and West Kent YMCA Academy Trust. YMCA West Kent is held directly by YMCA Thames Gateway which is its sole member with the power to appoint or remove the majority of the trustees. The other entities are all held directly by YMCA West Kent which holds the share capital of West Kent YMCA Trading Limited and has the ability to appoint and remove the majority of members of both The Bridge Trust Corporation and West Kent YMCA Academy Trust.

The Bridge Trust Corporation is dormant as at year ended 31 March 2022 having ceased to trade at 31 January 2022.

West Kent YMCA Academy Trust Limited was dormant throughout the year.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 16 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	1,776,572	1,683,211	1,776,572	1,683,211

#### 17 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	7,411	8,257	7,411	8,257

#### 18 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	468,295	263,814	381,262	263,814
Other debtors	14,864	10,509	5,156	10,509
Prepayments and accrued income	155,521	293,148	116,868	293,148
	<u>638,680</u>	<u>567,471</u>	<u>503,286</u>	<u>567,471</u>

#### 19 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	21	476,832	608,937	476,832	608,937
Trade creditors		302,396	463,970	236,255	463,970
Other taxation and social security		79,964	64,663	64,874	64,663
Accrued pension deficit contributions		167,890	111,236	141,763	111,236
Other creditors		59,459	135,918	24,742	135,918
Accruals and deferred income		411,653	148,162	298,561	148,162
		<u>1,498,194</u>	<u>1,532,886</u>	<u>1,243,027</u>	<u>1,532,886</u>

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	21	3,177,250	2,405,547	3,177,154	2,405,547
Accrued pension deficit contributions		1,026,047	838,338	865,881	838,338
		<u>4,203,297</u>	<u>3,243,885</u>	<u>4,043,035</u>	<u>3,243,885</u>

#### 21 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other loans	3,654,082	3,014,484	3,653,986	3,014,484
Payable within one year	476,832	608,937	476,832	608,937
Payable after one year	3,177,250	2,405,547	3,177,154	2,405,547
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

£923,000 of the balance included in other loans 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. 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 which is repayable on demand. As such, all amounts due under this arrangement are included within creditors due in less than one year in the financial statements. Interest is accruing at a rate equal to Barclays Bank base rate plus 2%. The loan is secured by a fixed charge over the investment portfolio of the group that is managed by Barclays Wealth.

YMCA Thames Gateway have drawn down loans totaling £2,400,000 from Charity Bank to finance the build of 39 new units of accommodation on the Rush Green Road site, including drawing down a new loan of £910,000 during the year. As at 31 March 2022, £2,309,466 is showing as a creditor in relation to these draw downs. Total repayments of £180,723 were made during the year in relation to these drawdowns. Interest is chargeable on these amounts at a rate equal to the Bank of England base rate plus 1.98%. The Charity Bank has a charge over the property with full title guarantee by way of legal mortgage.

#### 22 Deferred grants

	Group 2022 £	2021 £	Company 2022 £	2021 £
Arising from government grants	2,780,437	2,107,500	2,780,437	2,107,500
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

The above represents a grant from Greater London Authority (the GLA) for the construction of affordable housing which is recognised using the accrual model. This is being released to the profit and loss over a period of 75 years.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 23 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	405,403	453,294
	<u>405,403</u>	<u>453,294</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### Multi-employer plan

The group participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of the group and at the year end these were invested in the Mercer Dynamic De-risking Solution, averaging 52% matching portfolio and 49% 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 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 £39 million. YMCA Thames Gateway has been advised that it will need to make monthly contributions totalling £11,304 from 1 May 2022. The total monthly contributions for the group amount to £25,816. 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. Agreed future deficit contributions have been discounted using a rate of 3% (2021: 3%). The current recovery period is 7 years commencing 1 May 2022.

The group 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 the group may be called upon to pay in the future. This liability is shown in notes 19 and 20.

#### 24 Restricted funds

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
At the beginning of the year	14,387	4,730	14,387	4,730
Incoming resources	459,661	45,000	56,587	45,000
Resources expended	(360,931)	(35,343)	(4,273)	(35,343)
	<u>113,117</u>	<u>14,387</u>	<u>66,701</u>	<u>14,387</u>

This is the aggregate balance of a number of small restricted funds for projects run by the Group.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 25 Revaluation reserve

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning of the year	4,429,509	4,532,521	4,429,509	4,532,521
Transfer in respect of additional depreciation	(103,102)	(103,012)	(103,102)	(103,012)
At the end of the year	<u>4,326,407</u>	<u>4,429,509</u>	<u>4,326,407</u>	<u>4,429,509</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 made in respect of the additional annual depreciation charge resulting from the revaluation.

#### 26 Designated funds

	Pension reserve £	Investment revaluation reserve £	Property asset fund £	Total £
<b>Group</b>				
At the beginning of the prior year	(685,371)	129,600	9,924,409	9,368,638
Transfers with income and expenditure reserve	(264,203)	577,074	(2,210,192)	(1,897,321)
At the end of the prior year	(949,574)	706,674	7,714,217	7,471,317
Transfers with income and expenditure reserve	(244,363)	(27,674)	1,806,460	1,534,423
At the end of the current year	<u>(1,193,937)</u>	<u>679,000</u>	<u>9,520,677</u>	<u>9,005,740</u>
<b>Company</b>				
At the beginning of the prior year	(685,371)	129,600	9,924,409	9,368,638
Transfers with income and expenditure reserve	(264,203)	577,074	(2,210,192)	(1,897,321)
At the end of the prior year	(949,574)	706,674	7,714,217	7,471,317
Transfers with income and expenditure reserve	(58,070)	(221,674)	(17,967)	(297,711)
At the end of the current year	<u>(1,007,644)</u>	<u>485,000</u>	<u>7,696,250</u>	<u>7,173,606</u>

All reserves listed above are included in Income and expenditure reserves for both the group and the company.

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

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 26 Designated funds

(Continued)

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.

#### 27 Operating lease commitments

##### Lessee

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	131,019	55,329	56,299	55,329
Between two and five years	336,129	125,632	69,333	125,632
In over five years	84,244	-	-	-
	<u>551,392</u>	<u>180,961</u>	<u>125,632</u>	<u>180,961</u>

#### 28 Related party transactions

During the year recharges totalling £279,308 were made to West Kent YMCA Trading Limited from YMCA West Kent and amounts paid for by the trading subsidiary on behalf of YMCA West Kent by YMCA West Kent totalled £80,441.

At the year end West Kent YMCA Trading Limited owed YMCA West Kent £82,407.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 29 Transfer of funds from subsidiaries

On 1 April 2021 the control of YMCA West Kent was gifted to YMCA Thames Gateway. YMCA West Kent is a charitable company registered in England and Wales with a registered office of 1-23 Belgrave Road, Tunbridge Wells, TN1 2BP. Its registered charity number is 803529 and registered company number is 02512960.

YMCA West Kent has a 100% owned trading subsidiary, West Kent YMCA Trading Limited, which also formed part of the gift. The trading subsidiary has the same registered office as listed above. Its registered company number is 03742102.

The value of the gift is as follows:

	£
Tangible fixed assets	841,819
Investments	380,002
Current assets	391,740
Current liabilities	(148,576)
Non-current liabilities	(221,853)
	<hr/>
	1,243,132
Fair value adjustments	<hr/> -
Total value of gift	<hr/> <hr/> 1,243,132

The charity considered the net book value of the assets transferred to be materially the same as the fair values and as such there were no fair value adjustments in respect of any of the assets.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 30 Transfer of funds from The Bridge Trust Corporation

On 31 January 2022 The Bridge Trust Corporation became a wholly owned subsidiary of YMCA West Kent which has the power to appoint or remove the majority of trustees. On the same date, an agreement was entered into to transfer all activity to YMCA West Kent. The breakdown of this transfer is shown below:

	£
Tangible fixed assets	1,106,179
Investments	5,596
Current assets	256,297
Current liabilities	(49,975)
	<hr/>
	1,318,097
Adjustment for fair value of operational properties	547,583
	<hr/>
Total value of gift	<b>1,865,680</b>
	<hr/> <hr/>

At 31 January 2022 the assets and liabilities were valued at fair value. This has resulted in an adjustment to the fair value of the properties included in land and buildings of £547,583.

Any funds obtained or costs incurred after the transfer date of 31 January 2022 were owed to or by YMCA West Kent as they took on the activity of The Bridge Trust Corporation from that date.

Investments held by The Bridge Trust Corporation related to cash held within the investment portfolio. These funds were transferred to the charity's bank account following the 31 January 2022.

All assets and liabilities were immediately transferred on this date other than the bank balance. The cash remains in The Bridge Trust Corporation's bank account and is held on trust for YMCA West Kent. The balance at 31 March 2022 was £229,751.

#### 31 Contingencies

The group is entitled to the freehold reversion in respect of land over which it granted a 70-year lease to National Council of YMCAs (YMCA England & Wales) at peppercorn rent from 7 February 1994. They constructed a residential hostel for young people on site, which was operated by the charity as their managing agent and local housing partner. The premises were refurbished and extended with capital funds from Homes England. Prior to this redevelopment the original lease was extended to 74 years.

On 27 April 2018, YMCA England & Wales sold their lease of Ryder House to YMCA Blackburn. The total Homes England grant value in the building of £1.8m is accounted for by the Leaseholder, YMCA Blackburn as the Registered Provider of Social Housing.

# YMCA THAMES GATEWAY

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 32 Contingent liabilities

At 31 March 2022 there are £2,780,437 (2021: £2,107,500) of deferred grants in YMCA Thames Gateway from the Greater London Authority (GLA) for the construction of affordable housing.

A contingent liability exists in relation to these grants, as if certain conditions were not met then the grant monies could be due back to the GLA. The largest possible extent of the repayment is the full grant amounts paid so far. These would become repayable if there were any prohibited act committed by the charity as listed in the grant agreement. These acts include offering any consideration to induce the grant award or committing any offence under legislation in respect of fraudulent acts.

A lower level of repayment could become due on a project by project basis if delivery of each project is not achieved as stipulated by the grant agreement, or if any operational, monitoring or reporting requirements listed in the grant agreement are not achieved. Repayable amounts in these instances will usually be a maximum of the total grants made for the specific project in which the breach has occurred, however in instances of issues with delivery the amount repayable will be determined at that time.

#### 33 Cash generated from/(absorbed by) group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	2,858,424	(51,755)
<b>Adjustments for:</b>		
Finance costs	106,917	69,756
Investment income	(44,800)	(44,644)
Fair value loss/(gain) on investment properties	16,000	(10,000)
Depreciation and impairment of tangible fixed assets	458,237	317,981
Payment of pension obligations	(116,511)	(135,654)
Investment management charges	5,274	4,613
Gain on sale of investments	(253)	(472)
Unrealised gains on fixed asset investments	(98,973)	(305,918)
Pension scheme non-cash movement	-	271,299
Fixed assets transferred from the Bridge Trust	(1,653,762)	-
Non-cash gift of subsidiaries	(1,243,132)	-
Increase in deferred grants	672,937	
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	846	(1,452)
Increase in debtors	(71,209)	(172,457)
Increase/(decrease) in creditors	142,288	(157,107)
<b>Cash generated from/(absorbed by) operations</b>	<u>1,032,283</u>	<u>(215,810)</u>

#### 34 Analysis of changes in net debt - group

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	261,151	414,064	675,215
Borrowings excluding overdrafts	(3,014,484)	(639,598)	(3,654,082)
	<u>(2,753,333)</u>	<u>(225,534)</u>	<u>(2,978,867)</u>