

YMCA THAMES GATEWAY GROUP

SERVING COMMUNITIES IN ESSEX, KENT & LONDON



Here for young people
Here for communities
Here for you



YMCA Thames Gateway Group
Annual Report and Financial Statements
For the year ended 31 March 2026

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

YMCA THAMES GATEWAY

COMPANY INFORMATION

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

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

YMCA THAMES GATEWAY

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OVERVIEW OF THE YEAR

Chief Executive's Review - Year ended 31 March 2026

The 2025/26 financial year represented a critical phase in the continuing recovery and repositioning of YMCA Thames Gateway. Over the past two years, the organisation has undertaken a significant turnaround programme to address legacy financial issues, strengthen governance and refocus resources on its core mission of delivering high-quality supported housing and services for young people.

The prior-year financial position was also affected by the recognition of historic and non-recurring liabilities, including asset impairments, legacy utility costs and strengthened provisions. Recognising these matters was necessary to establish a more transparent and realistic financial baseline.

During 2025/26, the Board and Executive have continued to build on this foundation. We have strengthened financial controls, tightened cashflow management, and progressed a structured programme of asset disposals to improve liquidity and reduce debt exposure. During the year, we sold a number of surplus assets, enabling us to pay down historic debts and reinvest in strengthening our finance function, improving both capacity and resilience.

We have also taken decisive action to reshape the organisation around its core purpose. This included the closure or sale of our early years provision, allowing us to exit activities that were no longer sustainable or aligned with our strategic direction. In parallel, we established a dedicated youth subsidiary, enabling access to a wider range of grant funding opportunities that were previously unavailable due to the scale of our housing operations.

The Group nevertheless remained in a challenging financial position during 2025/26. It reported a loss for the year of £1.528m, compared with £1.945m in the previous year. Although this represents an improvement, it remains a substantial deficit and demonstrates that the financial recovery is not yet complete. The reduced deficit reflects lower operating expenditure, tighter financial management and the restructuring or closure of activities that were not financially sustainable. The Board continues to monitor delivery of the recovery plan closely, with forecasts indicating further improvement during 2026/27 and a return to a modest surplus of approximately £150,000 by the year ending 31 March 2028.

Alongside the financial recovery programme, we have continued to invest in our long-term mission, most notably through the proposed redevelopment of the Romford hostel. During the year, we secured £500,000 of external funding to progress the scheme through planning and achieved outline planning consent. The Greater London Authority has indicated support for grant funding for the development, subject to the organisation completing the required Investment Partner Qualification process and satisfying the relevant funding conditions. The grant was therefore not available to draw down at the reporting date. We are working through the outstanding requirements and remain confident that these can be completed within the required timetable. If the necessary approvals and funding conditions are secured, the development will provide modern, high-quality supported accommodation and increase capacity for young people at risk of homelessness.

At the same time, we have maintained constructive and transparent engagement with our key stakeholders, including lenders and the Regulator of Social Housing. This has been essential in

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navigating a period of heightened regulatory scrutiny and in rebuilding confidence in the organisation's governance and financial management. The RSH published a regulatory judgement against us, the findings of which we fully accept. We are actively working to address the areas where we fell short of their standards.

Operationally, the Group has continued to prioritise its core supported housing activities, exiting non-core and loss-making services and focusing resources on delivering sustainable, mission-aligned provision. This has supported a clearer strategic direction as a housing-led charity, with improved conditions for residents and a stronger basis for future growth.

Housing performance and occupancy

Rental income from supported housing remains one of the Charity's most important revenue streams. Every unoccupied bedroom represents both a loss of income and, more importantly, a missed opportunity to provide someone with a safe place to live.

During 2025/26, increasing financial pressures and resource constraints impacted our ability to respond to void properties as quickly as we would have liked. As a result, average occupancy for the year was 89.68%, below our strategic target of 98%.

Despite these operational challenges, demand for our services remained exceptionally strong and our housing teams continued to support residents to achieve positive outcomes. During the year, 74% of residents successfully moved on into independent accommodation, demonstrating the effectiveness of the support provided across our services.

Importantly, this success extends beyond the point at which residents leave our accommodation. Follow-up data shows that 84% of residents who moved on remained in their accommodation two years later, providing strong evidence that our support helps people sustain their independence and genuinely break the cycle of homelessness rather than simply move from one form of temporary accommodation to another.

Recognising that occupancy performance required improvement, the Charity implemented a comprehensive Void Recovery Strategy towards the end of the financial year. This introduced a more structured approach to void management, strengthened accountability across housing and property teams, improved performance monitoring and focused resources on reducing the time taken to return rooms to occupation.

Whilst the full benefits of this strategy fall into the following financial year, early indicators at the year-end demonstrated that the actions being taken were already delivering measurable improvements, providing confidence that occupancy performance was moving in the right direction.

Strategic outlook and potential merger

Alongside ongoing operational recovery, 2025/26 has also been a year of strategic choice. The Board has pursued a dual-track approach: continuing to stabilise the organisation while also exploring partnership and merger opportunities to secure long-term sustainability and protect services for beneficiaries. Constructive discussions with potential partners have progressed through due diligence and business planning, supported by ongoing engagement with regulators and advisors. The organisation's forecasts and going concern assessment have been prepared on a standalone basis and do not rely on completion of the potential merger. The Board remains focused on delivering the existing recovery plan irrespective of the outcome of the merger discussions.

Looking ahead, the organisation is at a pivotal point. The foundations of recovery are now in place, with strengthened governance, clearer financial visibility, and a more focused operating model. The next phase will require decisive action to secure long-term sustainability - whether through delivery of an independent growth plan or through strategic partnership.

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Despite the challenges faced, the Board remains confident in the underlying strength of the Group's core services and its enduring commitment to supporting young people and communities across the region. The progress made over the past year provides a firm platform for the decisions ahead and for building a resilient and sustainable future.

Matt Jones
Group Chief Executive Officer

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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 2026. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the Group financial statements and comply with applicable law and the requirements of the Financial Reporting Standard 102.

PERSONNEL

HONORARY OFFICERS

Patron

Rt Rev Roger Sainsbury (deceased May 25) Vacant

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) (Resigned 1 November 2025)
- Gemma Buckland (Resigned 31 December 2025)
- Mark Farrar (Treasurer)
- Kin Ming (Robert) Wong (Resigned 5 January 2026)
- Marie Mostaeddi
- Kirill Pyshkin (Resigned 14 July 2025)
- Jennifer Samuels (Resigned 31 July 2025)
- Dominic Scott-Malden (Resigned 24 March 2025)
- Alice Strevens (Resigned 30 September 2025)
- Peter Batt (Appointed 23 June 2025)
- Jason Fielden (Appointed 23 June 2025)
- Mark Johnston-Wood (Appointed 18 July 2025) (Interim Chair Nov-25)
- Lewis Devonish (Appointed 26 January 2026)
- Denis Kinyera (Appointed 26 January 2026)
- Linda Johnson (Appointed 26 January 2026)
- Anthony Garrett (Appointed 26 January 2026)
- Michael Youngson (Appointed 3 June 2026)

Company Secretary

- Karen Knapp (Retired 19 May 2025)
- Heather Stevenson (Appointed 19 May 2025)

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The Executive Team

- Chief Executive
 - Executive Director of Operations
 - Director of Finance
 - Director of Housing
 - Director of Marketing, Communications & Fundraising
 - Director of People
 - Director of Governance & Strategy
 - Director of Corporate Services
 - Director of Operations
 - Director of Housing & Property
 - Interim Director of Housing & Property
 - Exec PA
- Matt Jones
 - Steve Brightwell (Left July 2025)
 - Ganiyat Daro
 - Richard Bellis (Left Dec 25)
 - Laura Coyle (Left Dec 2025)
 - Remi Tondou (Left Feb 2026)
 - Karen Knapp (Retired May 2025)
 - Heather Stevenson
 - Charlotte Corby
 - Brian Cooke (Left July 2026)
 - Rhona Jeyakumar (Joined August 2026)
 - Nery Raul (Left Dec 2025)

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ORIGINS AND MISSION

YMCA was founded in England in 1844 by Sir George Williams and has grown into a global movement with more than 65 million members across 120 countries, each with its own national council. In England and Wales, there are 84 YMCAs, all members of the National Council of YMCAs in England & Wales.

YMCA believes in fairness and opportunity. We recognise the essential building blocks of 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; others may have lost one or more along the way, but we all need them.

Across the world, YMCA supports more than 65 million people, regardless of age, race, gender, sexual orientation or socio-economic background. While each YMCA works locally to meet the needs of its community, YMCA England & Wales provides national coordination and acts as a collective voice. As part of the largest and oldest youth charity in the world, YMCA Thames Gateway is proud to be one of the independent local YMCAs serving communities 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 expanded the Association, and in January 2022, The Bridge Trust - a respected housing charity based in West Kent - joined the family as The Bridge Trust Project.

Serving 14 communities across seven boroughs, YMCA Thames Gateway aims to help people 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 focuses on five core areas:



Accommodation

YMCA Thames Gateway provides supported housing for vulnerable young people who might otherwise face homelessness. Spanning seven boroughs, our housing offer includes the Young Futures service, which supports children in care aged 16-18, and the Inspiring Futures programme, which provides accommodation and support for adults aged 18 and over. We also offer move-on accommodation for residents who are ready to take the next step towards independent living.



Family and Youth Work

Through our Family Inclusion programme and youth services, we support vulnerable families and young people to build confidence, resilience and stronger connections within their communities. From helping families thrive through targeted support, to delivering mentoring, outreach and engaging youth activities across Woolwich and West Kent, we create safe, inclusive spaces where people can develop new skills, form positive relationships and reach their full potential.



Health and Wellbeing

We believe everyone should have access to facilities that support their physical and mental wellbeing. Our fitness centre in Romford offers an inclusive gym, group exercise classes, specialist rehabilitation services, sports programmes, cancer recovery sessions, and activities tailored for young people, older adults and individuals with additional needs. We also deliver stroke recovery sessions in both Romford and Dartford.



Training and Education

Our Horizon Training and Education Project in West Kent supports young people aged 16-19 who are NEET or have SEND to gain the skills, confidence and qualifications needed for adult life. Through carpentry and joinery training, participants develop vocational, personal and life skills, supported by literacy, numeracy and personal development activities. This complements the practical life skills and independence training delivered through our housing services.



Support and Advice

Providing clear, practical advice is vital to helping residents progress towards independence. Our support workers offer guidance on benefits, education, employment, housing, and health and wellbeing, helping young people build the confidence and skills needed for adult life. Throughout the year, residents received support with essential life skills such as budgeting and cooking, alongside drug and alcohol advice, employment and careers guidance, and mental health support. Together, these services help ensure young people leave us in a stronger, more positive position than when they arrived.

2022 – 2027 STRATEGIC THEMES

Following the Covid pandemic, we took time to look ahead and identify what we needed to do to remain strong and sustainable in a changing world. This led to the development of our current five-year plan, which runs until 2027. The plan is built around five core strategic themes, each owned by different service areas and delivered through annual priorities and actions. Below is a summary of the strategic themes, along with the core objective and narrative for each one.



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 approach to win significant contracts, and our capacity to deliver them. New branches will only be developed within the Essex, Gateway or Kent area. These geographies include South Newham, Ebbsfleet, Basildon, Gravesham, and the Medway towns.



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. We will implement and embed a Trauma Informed approach to the workforce.



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 sustainability as well as environmental sustainability around food services, building development and transport.



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.



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.

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STRATEGIC THEMES

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 the achievements and performance progress made towards our five-year strategic objectives in the first year.

OBJECTIVE				
Branches to be financially sustainable, offer a balanced portfolio of work and are of high quality				
Priority	Financial position for each branch identified and financial sustainability goal set	→	Year 4 update	A turnaround review was completed across all branches, resulting in service restructures, the closure or disposal of loss-making activities, new income generation initiatives, and organisational restructuring. Key outcomes included the sale of Temple Hill Nursery, closure of three nursery settings and the Dartford café, creation of new commercial income opportunities, and restructuring of Executive and Corporate Services functions. In addition, preparations were made to move Youth Services into a separate subsidiary, supporting future grant funding opportunities and long-term financial viability.
Priority	Priorities for new work identified that will optimise the financial position and sustainability of the branch	→	Year 4 update	Following a SWOT analysis and service review, business cases were developed and a turnaround plan was implemented to improve financial performance and support the branch's long-term sustainability. Key actions included bringing underused space into income-generating use and securing permanent space for existing tenants, creating a more stable and sustainable operating model.

Priority	Quality Assessment Framework (QAF) for organisation and branches identified and developed	→	Year 4 update	A Management of Change Framework has been established and is currently being implemented to ensure that all significant changes within the Association are identified, assessed, approved, implemented and reviewed in a structured and consistent manner before they are introduced.
Priority	Technology is advanced to enhance data security and business efficiencies	→	Year 4 update	The Year 2 technology plan has been delivered, establishing priorities for future technological improvements. Microsoft Copilot Pro has been introduced for the Senior Leadership Team, and updates to Windows and Microsoft 365 have enhanced security and operational efficiency.
OBJECTIVE	We will strengthen existing branches which will include the development of new areas of work			
Priority	Identify priority areas to address in order to consolidate the branch's position	→	Year 4 update	Priority areas identified through the turnaround plan continue to be the focus, with activity centred on strengthening branch performance and sustainability. Other projects have been paused, except for the Romford redevelopment, which continues to progress as a key strategic initiative.
Priority	Branch service review undertaken and gaps in service identified that will meet local community need	→	Year 4 update	Community groups and youth provision have been maintained throughout the year through a combination of internal investment and external funding support. This has enabled branches to continue responding to local community needs while maintaining key services and activities for young people and community groups.
Priority	Food offer to be open and available where we have a space in the hub, so people can come together and tell their story	→	Year 4 update	Our Romford Hub café continues to provide a welcoming space for people to connect, share their experiences, and build community. The operation is managed through a procurement partner to ensure value for money, with healthy margins of 58% being maintained. Following a review of performance, the Dartford Café closed during the year due to the service operating at a financial loss.

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Priority	Extend our educational work to be able to incorporate a training offer to support business need	➔	Year 4 update	Our Education service is growing. It has expanded into a second building. It is offering support for pupils at risk of becoming NEET, referred from local Kent schools. A core part of its funding comes from Kent County Council, but it is in the process of moving to DfE funding. KCC are keen to grow this service with us and engagement is ongoing.
Priority	Maintain property standards in all buildings	➔	Year 4 update	Planned works to maintain and improve property standards across the estate are underway, including the delivery of the Fire Strategy Works programme. These investments support the ongoing maintenance, compliance, and long-term sustainability of our buildings.
OBJECTIVE	Develop our approach to winning significant contracts and our capacity to deliver them			
Priority	Identify and expand resources required to win contracts	➔	Year 4 update	The team continued to identify and pursue growth opportunities within their areas of expertise. Education provision expanded in Kent, while negotiations progressed on a new housing offer in Greenwich, responding to changing needs and the acute housing crisis facing older people experiencing homelessness. Youth Services was brought together within its new subsidiary charity, creating a platform for a refreshed offer to the market across London and the South East from 2027. Progress on the Romford masterplan also enabled engagement with stakeholders on future service delivery, particularly with primary and secondary healthcare partners.

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Priority	Contract management process is clear to all involved	➔	Year 4 update	An approved panel of lawyers was procured to support contract management and governance. Utility contracts were negotiated and managed through an external consultancy, providing greater oversight and value for money. In addition, the implementation of a new property management system will standardise the RFQ and contractor management processes, improving consistency and control across the organisation.
Priority	Strong stakeholder relationship in place for each branch	➔	Year 4 update	While this area is still being developed, significant progress has been made in building and strengthening relationships with key stakeholders across our branches. These partnerships are helping to support local priorities and create opportunities for future collaboration.

OBJECTIVE	New branches to only be developed within Thames Gateway, Kent or Essex			
Priority	Maintain good relationships with our sister YMCAs in the areas of our geography	➔	Year 4 update	We continue to engage with neighbouring YMCAs to explore opportunities for partnership and closer collaboration. Although formal agreements have not yet been established, constructive relationships remain in place and discussions are ongoing regarding future ways of working together.

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Theme	INVEST IN OUR PEOPLE			
OBJECTIVE	Achieve 'Great Place to Work' Certification			
Priority	Fully understand the scale of work required in order to achieve this certificate	→	Year 4 update	This objective has been reviewed as part of wider organisational prioritisation. Due to current resource and budget constraints, work on achieving this certificate will not be progressed and the target has been removed from the Year 4 plan. Focus will instead remain on delivering key strategic priorities and the turnaround programme.
OBJECTIVE	Identify and invest in future leaders			
Priority	Build on the existing leadership development programme	→	Year 4 update	This objective has been carried over into the next phase of the strategic plan and remains a priority for future development.
Priority	Succession planning	→	Year 4 update	Positive progress has been made through a number of internal senior appointments arising from succession planning and the organisational restructure.
OBJECTIVE	To attract and retain the best people in the workplace			
Priority	Review of salary rates for all posts	→	Year 4 update	The review of salary rates has been placed on hold due to the organisational restructure and will be reconsidered once the new structure is fully established.
Priority	Undertake pay progression exercise linked to pay band increments	→	Year 4 update	A review of the financial impact of implementing pay progression linked to pay band increments has been paused due to the organisational restructure. This will be reconsidered once the new structure is fully established.

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Priority	Undertake review of working models to provide flexibility, productivity and work life balance for staff	→	Year 4 update	Hybrid working arrangements have been implemented for non-operational roles, providing greater flexibility while supporting productivity and helping colleagues achieve a better work-life balance. The organisation continues to balance flexible working practices with the operational requirements of frontline services.
OBJECTIVE	Implement and embed a Trauma Informed approach to the workforce			
Priority	To commit to the stages of becoming a Trauma Informed organisation	→	Year 4 update	Work towards becoming a Trauma-Informed organisation continues, with trauma-informed principles increasingly embedded across our services and environments. For example, the new hostel development is being designed around the principles of a Psychologically Informed Environment (PIE), ensuring the physical space supports residents' wellbeing and recovery. Becoming a fully trauma-informed organisation remains an important area of focus for future development.

Theme	EMBRACE SUSTAINABILITY			
OBJECTIVE	Develop a sustainability strategy which defines the scope of our sustainability work			
Priority	Develop a policy statement and 5-year sustainability strategy	→	Year 4 update	This objective has been carried forward into the next planning period. While progress has been limited due to competing organisational priorities, the development of a sustainability policy statement and longer-term sustainability strategy remains an important area of focus for the organisation and will be progressed as capacity allows.
OBJECTIVE	Environmental Sustainability Project Steering Group (ESPSG) meets and scopes out the opportunities, priorities and challenges			
	Implement the proposals from			

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Priority	the discovery phase of the ESPSG	→	Year 4 update	Implementation of the proposals identified during the discovery phase has been postponed until sufficient resources are available.
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Theme				
COMPLETE THE MASTERPLAN				
OBJECTIVE				
Provide a new state of the art YMCA Community Hub for Havering and Barking & Dagenham residents				
Priority	Discuss and agree design concept that meets local need	→	Year 4 update	Phase one is the new hostel. Outline planning has been secured. GLA grant has been offered. Work is focused on getting towards a start on site by March 2027. Once Phase 1 is live work will begin on Phase 2 design and planning - engaging with the local community to develop community activities from 2028 onwards.
Priority	Funding strategy for Romford community hub is agreed	→	Year 4 update	A funding strategy for the Romford Community Hub has been developed and is currently under review.
Priority	Continue work to maintain decent homes standards in the existing building	→	Year 4 update	Stock Condition Surveys were commissioned to assess the condition of existing properties and identify the improvements required to maintain Decent Homes Standard compliance.

Theme				
TELL OUR STORY				
OBJECTIVE				
Tell our story in creative ways				
Priority	Develop a communications strategy for YMCA TGG incorporating the 'Here for Good' approach in line with YMCA E&W	→	Year 4 update	The 'Here for Good' approach has been embedded through quarterly all-staff meetings, monthly newsletters, and the introduction of Above and Beyond Awards, recognising colleagues who demonstrate our BE MORE values.

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OBJECTIVE				
Ensure the communities we serve understand and embrace our mission and values				
Priority	Commission an independent survey to enable us to establish a baseline of our local communities understanding	→	Year 4 update	Whilst this objective has been carried forward, we have continued to engage with local audiences through regular newsletters and social media updates. We have also developed a range of case studies to showcase the impact of our work.

HOUSING REVIEW

Housing Review 2025/2026

Providing Safe Homes and Brighter Futures

During 2025/26, YMCA Thames Gateway provided accommodation and support to 627 residents across our housing services. This included 559 residents within our supported housing provision and a further 68 young people living within our Ofsted-registered services.

Providing a safe place to live is only the beginning of the journey. Our aim is to equip every resident with the confidence, skills and opportunities needed to move towards independent living and sustain it for the long term.

Supporting Successful Move-On

Our Life Skills & Engagement Coach continued to play a pivotal role in preparing residents for independence through practical life skills, tenancy preparation and personal development. During the year, 152 planned move-ons (74%) were successfully achieved, exceeding our organisational target of 65%.

The majority of residents (112) moved into their own homes through either social housing or the private rented sector. Others moved into more appropriate supported accommodation where additional specialist support was required, reunited with family where appropriate or progressed into long-term opportunities including the Armed Forces.

Perhaps the most inspiring outcomes came from residents who progressed from experiencing street homelessness to becoming homeowners. Supported through the development of our own move-on accommodation and the introduction of our emerging Working Model, these individuals demonstrated that, with the right support, homelessness does not define a person's future. These achievements represent more than housing outcomes—they represent resilience, aspiration and lives transformed.

Housing Performance

Rental income from supported housing remains one of the Charity's most important sources of income. Every empty room represents both a financial loss and a missed opportunity to provide someone with a safe home.

During 2025/26, increasing financial pressures and operational resource constraints affected our ability to return vacant rooms to occupation as quickly as planned. Consequently, average occupancy for the year was 89.68%, below our strategic target of 98%.

Recognising the importance of improving performance, the Charity introduced a comprehensive Void Recovery Strategy towards the end of the financial year. This strengthened performance monitoring, improved collaboration between housing and property teams and introduced greater accountability for reducing void turnaround times.

Whilst the full impact of these changes will be reflected during 2026–27, early performance indicators at year end demonstrated that the strategy was already delivering encouraging improvements.

Complaint Handling

We received 29 complaints this year, down from 44 last year, though the themes were much the same as those affecting repairs and property services elsewhere in this report. We did not commission a Tenant Satisfaction Measures survey this year, so we cannot compare complaint-handling satisfaction with last year's 64% score.

Escalations fell sharply: one complaint reached Stage 2, against six last year, and none went to the Housing Ombudsman, compared with two the year before. However, a review found that we did not

consistently meet the acknowledgement and response timescales in the Ombudsman's Complaint Handling Code — a step back from the compliance the Ombudsman confirmed in 2024–25. We are bringing a report on complaint handling to the Operations and Programmes Committee shortly, and our next annual self-assessment against the Code, due in September, will reflect this.

The incoming Acting Director of Housing and Property Services is working with the team and the Board Member responsible for Complaints to resolve outstanding cases. The Operations Committee will oversee complaint handling and Code compliance going forward, and lessons learnt will continue to feed into service improvements and our resident engagement strategy.

Resident Engagement

Resident involvement remains fundamental to the way we design and deliver our services. We believe that residents should play an active role in shaping the environments in which they live, ensuring services remain relevant, responsive and centred around their needs.

Throughout the year, residents participated in 34 formal involvement sessions, attended by senior managers and directors to ensure that feedback directly influenced strategic decision-making across the organisation.

One example of this approach was at our Romford hostel, where resident feedback was used by the catering team to redesign menus, creating a wider range of meals that better reflected residents' cultural backgrounds, tastes and preferences.

Beyond formal consultation, residents were encouraged to participate in activities that promoted wellbeing, confidence and social inclusion. During the year we organised four residential excursions alongside 112 independent engagement activities, including cooking sessions, sports, arts and crafts, woodland activities and community events. These opportunities help reduce social isolation, build confidence and strengthen the sense of community within our services.

Preparing for Independence

Supporting residents into accommodation is only part of our responsibility; helping them sustain their independence is equally important.

During the year, 103 residents completed our Preparing Your Future programme. The course focuses on the practical skills required to sustain both a tenancy and employment, covering areas such as budgeting, household management, employability, communication and personal responsibility.

The programme has not only improved residents' confidence but has also strengthened relationships with local landlords, who increasingly recognise YMCA residents as well-prepared tenants supported by a trusted organisation.

Looking Forward

Towards the end of the year, the Charity launched its Resident Working Model, an innovative programme designed to bridge the gap between supported accommodation and independent living.

The programme enables residents to volunteer across different areas of the Charity while developing practical work experience, accredited training and transferable skills that reflect local employment opportunities. Alongside their personal development, residents begin building a dedicated Move-On Grant, providing practical financial assistance when they are ready to move into independent accommodation. Although still in its early stages, the programme represents a significant step forward in our approach to homelessness. Rather than simply providing accommodation, it seeks to create pathways into employment, financial resilience and long-term independence, ensuring residents leave YMCA Thames Gateway with both the skills and the resources needed to build successful futures.

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CASE STUDY

Kamal (pseudonym), a young adult, moved into YMCA accommodation after experiencing homelessness following a period of housing instability. He had previously spent time in temporary accommodation after arriving in the UK, but when this came to an end, he experienced a period of street homelessness before being referred to YMCA TGG.

When Kamal arrived, his main goals were to secure stable accommodation, improve his employment prospects and receive support to develop his CV. From the outset, he engaged positively with the support process and showed strong motivation to improve his situation.

Kamal shared that he had started studying a professional accounting qualification prior to coming to the UK but had been unable to complete it due to disruption in his circumstances. He remained determined to continue his studies and build a professional career.

During his time at the YMCA, Kamal adapted well to the structure of supported accommodation. He established a routine, managed his daily living independently, and maintained a good standard of personal wellbeing. He engaged consistently with his support worker and attended support sessions as planned.

With support from staff, Kamal registered with a GP and accessed health services, including support for his mental wellbeing. He spoke openly about the challenges he had faced and responded positively to guidance, showing resilience and a proactive approach to his recovery.

Although his stay was relatively short, Kamal made strong progress towards his goals. With support, he explored education opportunities and successfully secured a place at university to continue his studies.

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CHILDREN'S SERVICES REVIEW

During 2025/26, YMCA Thames Gateway undertook a strategic review of its childcare and associated children's services to ensure long-term sustainability and continued support for families across the communities we serve. The review concluded that the existing model was not financially sustainable and that the organisation should cease direct delivery of a number of services while seeking, where practicable, to preserve provision through alternative providers.

Following the review, Romford Preschool and Lakeside Nursery closed at the end of December 2025. Temple Hill Nursery continued operating under YMCA Thames Gateway's registration until 13 February 2026, when the provision successfully transferred to Happy Orkids. The transitions were planned with staff, families, commissioners, Ofsted and partner agencies, with safeguarding, regulatory compliance and continuity of provision remaining key priorities.

Although these changes marked the end of YMCA Thames Gateway's direct delivery of childcare services, the organisation continues to support children, young people and families through Family Inclusion, youth and community-based programmes.

In November 2025, YMCA Thames Gateway also ceased delivery of its After School Club (ASC) provisions. In addition, the organisation's Holiday Club and Birthday Party services transitioned to an external provider, Blue Peak Global, ensuring these valued services remained available to local families through an alternative delivery model.

Before the transition, the department supported 556 individual children across its Early Years settings, After School Clubs and Holiday Clubs. Occupancy information in the table below relates to the periods during which each service remained operational and should not be interpreted as full-year performance. Because services closed or transferred at different points during the year, direct comparison between the reporting dates is limited.

Service	Position during 2025/26	Year-end or transition outcome
Romford Preschool	Operated until December 2025	Closed at the end of December 2025
Lakeside Nursery	Operated until December 2025	Closed at the end of December 2025
Temple Hill Nursery	Operated under YMCA Thames Gateway's registration until February 2026	Transferred to a new provider on 13 February 2026
After School Clubs	Delivery ceased during the year	YMCA Thames Gateway ceased direct provision
Holiday Clubs and birthday parties	Transitioned during the year	Delivery transferred to an external provider

Family inclusion

As we move forward, YMCA Thames Gateway will continue to strengthen its support for children and families through the Family Inclusion Project. Building on established relationships with local communities and partner agencies, the service will focus on early intervention, family resilience and reducing isolation through a combination of outreach support, home visiting, group activities and community-based programmes.

Following approval of the redesigned Family Inclusion Project by the National Lottery, the service is well positioned to respond to emerging family needs and increase opportunities for families to access practical, emotional and peer support. Through partnership working and a continued commitment to listening to the voices of children, parents and carers, we aim to deliver meaningful, sustainable outcomes that help families thrive and reach their full potential.

The coming year will focus on expanding community engagement, strengthening referral pathways, enhancing volunteer involvement and ensuring that support remains accessible, inclusive and responsive to the diverse needs of families across the areas we serve.

HEALTH AND WELLBEING REVIEW

We believe that everyone should have access to facilities that support their physical wellbeing, and that good physical health goes hand in hand with strong mental wellbeing. We currently have 835 registered members using our fitness facilities – including our gym and fitness classes – as well as accessing cancer and stroke rehabilitation programmes and specialist sessions for young people, seniors and people with additional needs.

Our Health and Wellbeing services are delivered from our Romford branch, attracting members from Barking and Dagenham and Havering. Our offer includes:

- gym membership
- fitness classes
- personal training
- sports programmes
- cancer and stroke rehabilitation (stroke rehabilitation is also delivered from our Dartford branch)
- PE lessons
- social clubs for seniors
- specialist sports, gym and fitness sessions for young people, seniors and people with additional needs

During 2025/26, 567 members paid through Direct Debit and annual memberships and a further 248 registered as Pay and Play members, which includes 35 senior citizens. This gives a total of 815 members.

Since the previous reporting period, two additional gyms have opened within a five-mile radius, increasing the number of competing fitness facilities in the local area to 23. Competition has also intensified following a £500,000 refurbishment at the nearby Everyone Active facility, which has contributed to the loss of a small number of members.

Despite these market pressures, the Health & Wellbeing service has continued to perform strongly. The Cancer Rehabilitation programme remains well attended, and participation in community-based classes has continued to increase throughout the year. Demand for specialist health services remains particularly strong, with the Wednesday Health Conditioning class operating at full capacity each week and maintaining a waiting list.

A key strength of the service continues to be its inclusive, community-focused approach. Unlike many larger commercial gyms, the facility provides a welcoming and supportive environment where members develop meaningful relationships and feel part of a wider community. This culture of inclusivity remains a significant differentiator in an increasingly competitive market and continues to play an important role in member retention, engagement and overall satisfaction.

Health and Wellbeing highlights for 2025/26:

- Continued delivery of our digital programme, streaming 8 classes on site and including this as part of the membership offer.
- Continued delivery of our funded Cancer Rehabilitation programme – a 10-week programme delivered by our qualified Personal Trainers. This is free at the point of delivery thanks to fundraising and donations.

Between April 2025 and March 2026, we supported 65 clients with 634 sessions; 45 completed the programme (some started programme 25/26 but are continuing and will finish programme this

financial year 26/27) and 8 converted to full members.

- Our Senior Citizens Group continues to have a positive impact, with an average weekly attendance of 37 people across both sessions. Members also enjoyed 8 social events meals with entertainers, which brought in over £1500 income for catering.
- Room Hire income continued to grow during 2025; however, performance was significantly impacted during 2026 when both passenger lifts became completely inoperable. This has had a significant impact on room bookings, particularly for our most popular room, Liberty, which has had to be used as a walkway for residents. As a result, the room has been unavailable for bookings. Bookings for the Mercury Room have also declined, as many service users are unable to access the room via the stairs. Despite these challenges, the Windmill Room has continued to perform well, with several new bookings secured during the year. We have been able to retain most of our hospital group bookings and AA by relocating them to our ground-floor facilities, helping to minimise the overall impact of the lift outage on room hire activity.
- We worked closely with specialist schools, offering young people with additional needs the chance to experience gym sessions, RPM, climbing and tailored fitness activities. This included mainstream schools, SEND schools, alternative providers and Pupil Referral Units.
- We delivered an average of 9-11 school sessions each week for the full academic (36 weeks) either at £70 per hour for fitness session or £80 per hour for climbing. We also introduced GCSE climbing instruction to schools in Havering, which is an 8-week course that includes 2 weeks of filming for the assessors. Currently 2 schools have used these services.
- Delivered 90 sessions of a weekly outreach seated exercise class, generating £2,400.
- Introduced supported gym-instructor sessions, adding extra value and support for our specialist members.
- Specialist classes – we have delivered a total of 454 specialist classes throughout financial year 25/26. This includes Stroke rehabilitation, open rehabilitation, senior citizens, seated dance, health circuit, Boccia & Dartford strokes. The total number of attendees from all these classes is 6,106 for the year.
- As our health condition circuit has completed its year's funding from Sport England, it continues to support itself with numbers reaching averages of 14-16 attendees in first session & 10-12 in second session, with max numbers being 16.
- Took part in Havering's Family Fest for the third year running at Harrow Lodge Park and partnered with Havering's resident engagement team to promote our services at community events across the borough.
- We have raised £200 through our Special Needs Fund donation bucket, which has been located at reception since December 2025. The funds will help support a summer party for members who attend our seated exercise classes, planned for July 2026. Most of the donations have come from the members themselves, who have generously contributed their spare change throughout the year.
- Our annual Special Needs Christmas Party took place in December 2025, with 90 members attending. The event generated income for both catering and the Special Needs Fund, with an additional £100 raised through a raffle on the day. Funds raised from the event help support activities, events and equipment that enhance the experience and wellbeing of our special needs community throughout the year.
- The Dartford Stroke Group spent the remainder of its '180 Years' funding on a Christmas meal at a local pub in Dartford and a boat trip along the Medway in March, both of which were greatly appreciated by members.

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YOUTH SERVICES REVIEW

During 2025/26, YMCA's Youth Services have continued to provide safe, inclusive and engaging spaces for children and young people (CYP) across Woolwich and West Kent. Together, these programmes have supported hundreds of CYP through youth clubs, outreach work, mentoring, and personal development opportunities — helping young people to build confidence, friendships, and a sense of belonging in their communities.

WOOLWICH YOUTH

YMCA Woolwich Youth has regularly worked with 207 individual CYP across our two youth clubs, detached sports sessions, and mentoring programmes - 90 of whom were new to the service this year. Altogether, these CYP attended sessions 1433 times.

In addition, we have engaged with a further 731 CYP across Woolwich through detached outreach work and provided 264 accessible drop-in mentoring sessions.

Clubs

We delivered 66 club sessions in total, 33 for ages 13–19 and 33 for ages 8–12. Our clubs offer a wide range of skills development activities including cooking, crafts, music workshops and sports, while also providing a safe, welcoming space where CYP can make friends, seek support and take ownership of their environment.

Of the 207 registered CYP we've worked with, 63 (over 30.43%) are regarded as 'at risk'. Our service is Trauma-Informed, embedding the principles of safety, trustworthiness, choice, collaboration and empowerment throughout all delivery. Regular briefings and debriefings, robust client risk assessments and safeguarding processes ensure that concerns and feedback are identified and acted upon.

Detached outreach

We delivered 46 detached sessions across Woolwich – including work at the sports cage, local shops, Woolwich town centre and Woolwich Common – engaging 790 CYP. These sessions offer informal opportunities for CYP to socialise safely, take part in sports and positive activities, and reduce isolation. Detached work also helps divert young people from antisocial behaviour by offering constructive alternatives and signposting to other support services.

Mentoring

We delivered 19 group mentoring sessions across local schools, engaging 32 CYP who demonstrated significant improvement in teamwork, relationships, leadership, communication, resilience and confidence. Sessions were held at Royal Greenwich Trust School, with vulnerable Year 7 pupils.

In addition, drop-in mentoring at clubs provides one-to-one conversations and reflection activities to help CYP express feelings and build self-awareness. We had 14 1-2-1 mentoring sessions with 3 youth clients.

Trips and activity days

We continue to celebrate success through the Jack Petchey Leader Awards, recognising CYP who demonstrate kindness, leadership or significant personal growth. Award winners chose trips to the O2 Trampolining park, Laser Tag and Archery, while others took part in sport trips including Horse riding, BMXing and Mountain biking in line with our funding, encouraging CYP to take part in sports including some they may not have tried before. We had 107 youth take part in sports throughout the year. We also had external sports facilitators deliver Muay Thai, Table Tennis and Boxing.

West Kent Youth

YMCA West Kent Youth Service delivered 467 youth club sessions over the past year, reaching 387 young people, who together recorded 3,669 attendances.

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We continue to build and strengthen local partnerships with charities, Kent police, churches and parish councils, which enables us to extend our reach into rural areas and provide sessions across eight different communities. On average, 15 sessions per week were delivered, targeting young people aged 8–25, depending on location. We continue to run a EET support session in our supported accommodation provision, and we are running 5 sessions in rural locations.

Delivery is supported by a dedicated team of seven paid staff and over 20 volunteers from YMCA and various different supporting partners, many of whom come from the communities where sessions take place.

Our clubs continue to mirror the core YMCA Youth approach, offering skills development activities such as cooking, crafts, science experiments and sports, within a safe, inclusive environment where young people take an active role in shaping what's on offer. This co-designed approach ensures each club reflects the needs and interests of its community, empowering young people to build confidence, connection and purpose. Working in partnership with community organisations also supports us to shape each service to meet the needs of that group. We have been lucky enough to engage with young people from all backgrounds, with some sessions individually engaging with over 50 young people. Some of the young people who attend our sessions have been with us since the start of the project (4 years).

Partnership working also enables us to be able to access funding to provide additional support for young people, Wellbeing in the Weald were granted some money from TWBC to take young people on a trip (bowling).

We have been supporting KCC and Kent Police to provide educational and engaging activities during school holidays which has supported us to engage with a further 30 individuals on an outreach project where we made tie dye t-shirts and bags.

CASE STUDY - BUILDING RESILIENCE, BELONGING AND POTENTIAL

MB first engaged with YMCA Thames Gateway through school mentoring sessions in 2024. While staff initially observed some challenging behaviour, particularly when she was with a certain friendship group, one-to-one conversations revealed a very different side of her. Away from peer pressures, MB was respectful, thoughtful and willing to engage positively with staff, providing the foundation for a strong and supportive relationship.

As MB became involved in our youth club, her confidence and participation continued to grow. She regularly took part in activities such as arts and crafts and developed positive relationships with both young people and staff. In 2026, she began attending more frequently and started bringing her younger brothers to sessions, helping to support and supervise them. MB quickly became known for her willingness to help others, whether assisting with refreshments, helping staff set up and pack away, or supporting younger members of the group.

Alongside her involvement in youth club activities, MB accessed one-to-one mentoring with our Therapeutic Youth Worker. These sessions focused on self-awareness, future aspirations and exploring her identity and family background. During this time, MB demonstrated increasing maturity and empathy, including speaking openly about bullying she had witnessed at school and raising concerns that enabled staff to work with the school to support the young people involved. Her compassion and desire to help others became increasingly evident.

Today, MB is recognised as a positive role model within the youth club. Staff and young people describe her as kind, helpful, confident and someone who always looks out for others. Her personal growth and commitment to supporting the wider group were recognised through a Jack Petchey Award nomination, which she went on to receive. MB's journey demonstrates how consistent mentoring, positive relationships and meaningful opportunities can help young people build confidence, develop leadership skills and make a positive contribution to their community.

Youth Services review summary

During 2025/26, our Youth Services continued to provide safe, inclusive and engaging spaces for children and young people across Woolwich and West Kent. Hundreds of young people benefited from youth clubs, mentoring, outreach and personal development opportunities, helping them to build confidence, resilience and a sense of belonging.

In Woolwich, **207** young people regularly attended clubs and mentoring programmes, with over half identified as 'at risk'. A further **731** were engaged through detached outreach sessions. Activities focused on skills development, wellbeing and positive social interaction, supported by a Trauma-Informed approach.

Across West Kent, **467** youth club sessions were delivered, reaching **387** young people across seven communities. Strong local partnerships have enabled wider rural engagement, supported by **seven** staff and **20** volunteers. Programmes remain co-designed with young people to ensure relevance and impact, promoting connection, purpose and personal growth.

EDUCATION REVIEW

Horizon Statutory Offer Post-16 / FY 2025/2026

Horizon supported 24 trainees under Kent Local Authority, 1 under Bexley Local Authority and 1 under East Sussex local authority across the two academic years that overlap FY 2025/2026. Of these, two were returners. All trainees successfully passed their Functional Skills Maths and English exams at the levels they were entered for. Nine trainees completed their City & Guilds Carpentry and Construction qualifications, and the remainder are still attending this academic year and are on track to complete by July.

Leavers in July 2025 progressed into a range of positive destinations including apprenticeships, voluntary work, employment and other post-16 SEN providers.

Horizon Non-Statutory Offer to Schools / FY 2025/2026

Horizon supported 23 young people from 10 different schools in the local area covering both Kent and East Sussex – the highest number of schools in one academic year that Horizon has been involved with supporting. Their learning programmes included: Furniture Upcycling, Bicycle Maintenance Skills, Foundation Woodwork, and Therapeutic Boxing.

CASE STUDY - BUILDING SKILLS AND SELF-BELIEF THROUGH THE BIKE PROJECT

When Archie was experiencing challenges with behaviour and engagement at his specialist school, he was offered a place on the Bike Project at Horizon as a reward for improved behaviour. Archie attended consistently for six months, and the school reported a significant improvement in both his behaviour and engagement as a result.

Through the project, Archie developed practical skills in bicycle maintenance, learning how to service bikes, identify and replace parts, and understand important health and safety requirements. Alongside these technical skills, he also built resilience, motivation and self-belief.

Archie says he is motivated to "be good in school" because he enjoys attending the Bike Project and often tells his friends "*How great it is*". He particularly values the calm environment, supportive tutor and small group setting, which allows him to learn and develop in a way that works for him. This positive experience has helped him engage more positively both in school and in his wider personal development.

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WEST KENT TRADING REVIEW

The annual sales target was £164k and revenue (pre gift aid) reached £158,558. The shop also supported 14 vulnerable volunteers, most were school pupils completing work experience for the Duke of Edinburgh Award.

The shop continued to receive regular furniture donations as well as antique and bespoke items attracting local interest. The team worked extremely hard to keep the shop on target, developing new ideas to market the store, reinstating social media activity and networking with local retail organisations.

FINANCIAL REVIEW

Income

YMCA Thames Gateway's income is primarily generated through the delivery of its charitable activities, which are focused across three core service areas: Housing, Community Health and Wellbeing.

Housing remains the organisation's largest source of income and is generated through a combination of resident rental contributions and housing benefit payments associated with our supported accommodation, hostels, and move-on housing projects. These services provide safe and stable accommodation for vulnerable individuals while supporting their journey towards greater independence.

Community Health and Wellbeing income is derived from membership subscriptions, the use of our fitness and wellbeing facilities, and contractual arrangements with external organisations for the delivery of health, fitness, and community-based programmes. These activities support healthier lifestyles and contribute to improved physical and mental wellbeing within the communities we serve.

In addition to these primary income streams, the Group generates income from a range of ancillary and commercial activities that support the delivery of our charitable objectives. These include catering services, venue and room hire, training and development programmes, fundraising activities, grants, donations, and investment income. Together, these diversified income sources help strengthen the Group's financial sustainability and enable continued investment in services that deliver positive outcomes for the individuals, families, and communities we support.

Auditor's Opinion 2025/26 accounts:

The Trustees welcome the outcome of the external audit for the year ended 31 March 2026 and are pleased that the auditors have issued an unqualified audit opinion.

The auditors concluded that the financial statements:

- Give a true and fair view of the financial position of the Group and Parent Company as at 31 March 2026, and of the Group's financial performance for the year then ended.
- Have been properly prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.
- Comply with the requirements of the Companies Act 2006.

The unqualified opinion reflects the significant progress made in strengthening financial reporting, internal controls, governance processes, and audit readiness across the Group. The Trustees recognise the collective effort of management, staff, and auditors in achieving this positive outcome and remain committed to maintaining high standards of financial stewardship, transparency, and accountability.

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Operating Results

YMCA Thames Gateway continued its programme of financial recovery and organisational restructuring during 2025/26. The Group reported turnover of £9.377m, operating expenditure of £11.002m and an operating deficit of £1.624m, compared with a deficit of £2.023m in the previous year.

The improvement in the operating result is encouraging, but the remaining deficit is substantial and the Board recognises that the recovery programme is not yet complete. The reduction in income primarily reflects the closure or disposal of non-core and loss-making activities. The reduction in expenditure reflects organisational restructuring, tighter cost control and the rationalisation of services that were not financially sustainable.

The Board's current forecasts anticipate continued improvement during 2026/27, supported by restructuring savings, stronger financial controls, improved occupancy management and continued focus on core services. The long-term financial plan forecasts a return to a modest surplus of approximately £150,000 by the year ending 31 March 2028. Achievement of this position remains dependent on delivery of the recovery plan, including income and occupancy assumptions, cost control, contract retention and effective management of property and compliance expenditure.

The Board monitors actual performance against budget, cash flow forecasts, covenant requirements and recovery milestones. Where performance varies from plan, management is expected to identify corrective action promptly and report this through the organisation's governance arrangements.

During the year, the Group implemented a number of strategic actions to improve financial resilience, including the disposal of surplus assets, the repayment of historic liabilities and debt reduction activities. These measures generated additional liquidity, strengthened the balance sheet and provided resources to reinvest in core functions and service delivery. The organisation also continued to reshape its operations around its primary charitable purpose of providing supported housing and opportunities for young people, including the closure or disposal of activities that were no longer financially sustainable.

Although income from core housing operations remained the principal source of funding, overall financial performance continued to be influenced by rising operating costs and the need to invest in service quality, governance and infrastructure. Nevertheless, management took decisive action to manage expenditure, improve occupancy levels and enhance operational efficiency. These actions have contributed to a more stable financial outlook and positioned the Group to return to sustainable operating performance.

The year also saw continued progress towards the proposed redevelopment of the Romford hostel. External funding was secured to progress the scheme through planning, and outline planning consent was achieved. Discussions with the Greater London Authority regarding potential capital grant support have progressed positively. However, access to that funding remains subject to completion of the Investment Partner Qualification process and satisfaction of the GLA's funding requirements. The financial statements and going concern assessment do not assume that this grant is available unless and until the relevant conditions have been met.

Overall, 2025/26 represented a year of stabilisation and recovery. Whilst challenges remain, the actions taken during the year have strengthened liquidity, reduced financial risk and improved the Group's long-term sustainability, allowing the Trustees to focus on delivering positive outcomes for the young people and communities served by YMCA Thames Gateway.

The reduction in income primarily reflects the strategic restructuring of the organisation during the year, including the closure and disposal of certain non-core activities and services that were no longer financially sustainable. While housing operations remained the Group's principal source of income, overall revenue was impacted by changes in service delivery and a challenging funding environment across the charitable sector.

The reduction in operating expenditure reflects management's continued focus on cost control, organisational restructuring, improved financial oversight and the rationalisation of activities that were not aligned to the Group's long-term strategic objectives. During the year, the Group strengthened financial controls, improved

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cash flow management and continued implementing efficiency measures across its operations.

Although the Group continued to report an operating deficit, the improvement demonstrates the positive impact of the recovery and stabilisation programme undertaken by the Board and Executive Team. The reduced deficit reflects a combination of lower operating costs, tighter financial management and strategic decisions taken to focus resources on core charitable activities.

Overall, 2025/26 represented a year of significant progress in YMCA Thames Gateway's financial recovery journey. Whilst cost pressures arising from inflation, staffing and property-related expenditure continued to affect performance, the Group successfully reduced both expenditure and operating losses, strengthened liquidity and improved its medium-term financial outlook. The actions taken during the year have provided a more sustainable platform from which the organisation can continue delivering its charitable objectives while progressing towards long-term financial resilience.

Board Actions and Forward Strategy

In response to the financial challenges experienced in recent years, the Board and Executive Team have continued to implement a comprehensive recovery and transformation programme aimed at restoring long-term financial sustainability and strengthening organisational resilience. Key actions undertaken during 2025/26 included enhanced financial governance, tighter cash flow management, the disposal of surplus assets, the reduction of historic liabilities, and a strategic review of service delivery to ensure resources are focused on areas of greatest charitable impact.

During the year, the Board took decisive action to reshape the organisation around its core mission of providing supported housing and opportunities for young people. This included the closure or disposal of activities that were no longer financially sustainable, alongside investment in strengthening the finance function, financial controls, management reporting and risk management processes. These measures have improved operational efficiency, increased financial transparency and provided a stronger platform for future growth.

Looking ahead, the Board remains focused on delivering a sustainable financial future for YMCA Thames Gateway. Strategic priorities include maintaining high occupancy levels across the housing portfolio, maximising income opportunities, controlling costs, strengthening liquidity and ensuring continued compliance with lender covenant requirements. The Board will also continue to monitor performance closely against agreed recovery plans, supported by enhanced forecasting, stress testing and early warning indicators.

A key element of the Group's future strategy is the development of the new supported housing scheme in Romford. Significant progress has already been achieved through the securing of external funding, planning approvals and discussions with the Greater London Authority regarding potential capital grant support have progressed positively, subject to completion of the Investment Partner Qualification process and satisfaction of the GLA's funding requirements. Once completed, the development will substantially increase the Group's capacity to provide safe, high-quality accommodation for young people and will form a cornerstone of YMCA Thames Gateway's long-term service delivery strategy.

The Board is also actively considering longer-term strategic opportunities, including exploring partnership and merger opportunities that may further strengthen the organisation's sustainability and ability to deliver its charitable objectives. Together, these actions are intended to ensure that YMCA Thames Gateway remains financially resilient, operationally effective and well positioned to support vulnerable young people and communities for many years to come. However as previously stated the organisation's forecasts and going concern assessment have been prepared on a standalone basis and do not rely on completion of a partnership or potential merger.

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RESERVES POLICY

The Association's reserves comprise free reserves and restricted reserves. This structure provides a clearer and more transparent representation of the financial resources available to support the Association's ongoing operations, manage risk, and deliver its charitable objectives.

Free reserves represent funds that are not subject to external restrictions and are therefore available to support the day-to-day activities of the Association. They provide an important safeguard against unexpected financial challenges, help manage cash flow fluctuations, and support the organisation's ability to respond to emerging opportunities and risks. Whilst free reserves enhance financial resilience, they do not remove the continuing requirement to generate income through charitable activities, grants, donations and fundraising initiatives.

Restricted reserves consist of funds received for specific purposes and can only be applied in accordance with the conditions set by donors, grant funders, or funding agreements. These funds are carefully monitored and managed to ensure they are utilised solely for their intended charitable purposes.

The Finance, Audit and Risk Committee reviews the level, adequacy and purpose of reserves on an annual basis to ensure that the reserves policy remains appropriate to the Association's operational requirements, financial risks and long-term strategic objectives.

For the purpose of monitoring financial resilience, Trustees monitor the liquid resources within its free reserves. Liquid resources comprise of current assets and investments less current liabilities. The Board has established a target of maintaining liquid resources equivalent to a minimum of four months of operating expenditure, providing sufficient liquidity to manage short-term financial pressures and unexpected events.

At 31 March 2026, liquid resources stood at (£4.34m) (2025: (£3.98m)). This position reflects the requirement to classify the Charity Bank loan as current liabilities following a covenant breach, resulting in the loans becoming repayable on demand for accounting purposes. This accounting treatment significantly impacts the liquid resources calculation, despite the underlying financing arrangements remaining in place.

Had these loans continued to be presented as long-term liabilities, liquid resources at 31 March 2026 would have been (£2.23m). Whilst this represents a materially stronger position than the reported balance, it nevertheless remains below the level required under the Association's reserves policy. Accordingly, the Trustees acknowledge that the reserves target has not yet been achieved and continue to prioritise actions aimed at strengthening the Association's financial position.

A comprehensive recovery plan is in place to support the rebuilding of reserves over the medium term. Key measures include the disposal of non-core property assets, the closure or disposal of activities that are not financially sustainable, including nurseries and cafés, ongoing improvements to operational efficiency, strengthened financial management and cash flow controls, and collaborative procurement opportunities with other YMCA organisations to achieve further cost savings. The Trustees expect these actions, together with improvements in trading performance and liquidity, to support a gradual recovery in reserves over the next two to three years and move the Association closer to its target reserves position.

The Reserves Policy is reviewed annually by the Finance Committee and approved by the Board to ensure that it remains aligned with the Association's financial circumstances, risk profile and strategic.

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FUNDRAISING

Charity law requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes. Such amounts receivable are presented in these accounts in other operating income.

Political donations

YMCA Thames Gateway did not make any political donations during the financial year.

Fundraising activities and governance

YMCA Thames Gateway's primary fundraising for voluntary income arises from donations from individuals, grants from trusts and foundations, businesses and public sector organisations. YMCA Thames Gateway raises funds using its own staff and volunteers and works in partnership with other charities where there is a common mission. However, it does not use commercial fundraisers or third parties.

To support YMCA Thames Gateway's values and ethics, it is registered with the Fundraising Regulator and lives out the principles of the Code of Fundraising Practice. As well as deploying its own safeguarding procedures, YMCA Thames Gateway's fundraising accords with the Charity Commission's guidance. This includes the provision of training for the staff involved in fundraising. There were no breaches of the Code or fundraising complaints received during the year.

In reflecting on the large donations and grants received, YMCA Thames Gateway was satisfied that those donors and funders were of good character and supported the charity's aims and objectives.

In total, we secured £252,970.23 from fundraising and community fundraising activities, which included donations for the Bridge Trust Project.

This included:

Grants - £202,553.00

Donations - £50,417.23

Organisations that supported us, include:

- Albion Fine Foods
- Bluewater Giving Tree
- Bluewater Shopping Centre
- Cadent (through a partnership managed by YMCA England and Wales)
- Capel United Church
- Chapter of Borrowed Light Masonic Lodge
- Construction Sealants Ltd
- Coop
- Dartford Lions
- Dunelm Romford
- Easy Fundraising
- GLA/Mayor of London
- Greenwich Healthier Communities Fund
- Haramead Trust
- Havering Local Lottery
- Jack Petchey Foundation
- L&Q Foundation
- National Lottery Community Fund
- No Jacket Required
- Premier League
- Prism Alarms
- Royal Borough of Greenwich
- Stonewall Park Charitable Trust

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- Tuscan Lodge 6067 - Masons
- YMCA England & Wales
- YMCA Thames Gateway Orchestra

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

- National Lottery Community Fund
- Royal Borough of Greenwich

Individuals that have kindly donated £500 and over to YMCA TG, include:

- Keith Price
- Mr Buss
- Jane McNaghten
- Sister of Sally Meyer

Our thanks also go to the many others, including YMCA TG staff, friends and family, who have kindly supported us with donations.

VOLUNTEERS

The number of volunteers within our service areas during 2025/26 remains relatively the same as previous year, though lower than pre-pandemic times. We are no longer in a position to recruit international volunteers, on who some key departments heavily relied in previous years, due to a lack of accommodation following the sale of the Rush Green Road property.

However, we are grateful for the current 16 regular volunteers that we have on our books, who make a valuable contribution to our work, bringing a different perspective to what we do. We have relied upon our regular local volunteers in areas such board and committee membership, activity leaders in clubs including the YMCA Orchestra, our senior citizens' programme, health and wellbeing, youth work and youth football. They also support key departments such as Chaplaincy, Fundraising and GSR Furniture Store, undertaking volunteer work on an ad-hoc basis.

VALUE FOR MONEY

Value for Money

Value for money is a core principle that underpins every area of our service delivery. We continually challenge ourselves to consider whether there is a better, more efficient or more effective way of delivering services, ensuring that every pound entrusted to the charity delivers the greatest possible impact for the young people and communities we support.

Our approach to value for money is built around three simple principles:

- **Spend wisely** – ensuring that our services remain relevant, responsive and deliver meaningful outcomes for residents.
- **Spend less** – continually improving efficiency, reducing waste and making the best use of our people, assets and resources.
- **Spend well** – making informed investment decisions that maximise both financial performance and long-term social impact.

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Social Value

During 2025–26, our housing services generated an estimated £25.7 million of social value, resulting in a net social value of £20.8 million after operating costs.

This represents a Social Value Ratio of £1 : £5.25, meaning that for every £1 invested in delivering our housing services, £5.25 of measurable social value was created for residents, local communities and the wider public sector.

This demonstrates that the organisation not only provides safe accommodation but also delivers significant wider benefits through homelessness prevention, improved wellbeing, employment support, education, community participation and reduced demand on public services.

Affordability and Efficiency

Value for money must also be considered alongside affordability. Despite continued investment in service quality and regulatory compliance, our rent levels remain within the lowest two quartiles of supported housing providers across our region.

This provides assurance that residents continue to receive high-quality accommodation and support while maintaining competitive rent levels that represent good value when compared with similar providers.

Investing in Our Assets

Our Property Team has continued to strengthen our value-for-money position through targeted investment in our buildings and infrastructure.

Improvements to heating systems, energy-efficient lighting and the procurement of energy supplies with 60% renewable generation have contributed to improved building energy performance and higher EPC ratings across parts of the portfolio. Alongside reducing our environmental impact, these improvements help manage operating costs and support the long-term affordability of our services, whilst contributing to lower energy consumption for residents wherever possible.

By investing in our homes today, we are reducing future maintenance liabilities, improving resident comfort and ensuring our assets remain fit for purpose for many years to come.

- We continue to benefit from our £1.2m per year contract with Kent County Council for Ofsted-registered accommodation and support services for Children in Care. The contract runs for 4 years, with the option of a further 4 x 1-year extension, and funds 33 registered bed spaces at 100% occupancy, giving us stable, predictable income and removing the financial risk of voids across these units. This remains a key part of our income base and reflects our position as a trusted provider of safe, high-quality care for vulnerable children and young people.
- We continue to deliver housing and tailored support services for residents nominated through Bexley Council's referral system. The £70k upfront payment received last year was a one-off start-up grant to establish these services and was not repeated this year, as the arrangement is now business as usual.

Over the year, we secured £252,970 of income from fundraising activities, grants and donations to support our services. This included:

- £131,000 in total from the National Lottery Community Fund for the Family Inclusion Project and West Kent Youth Project. The Family Inclusion Project provides tailored support to children and families facing additional challenges, helping them access services, strengthen relationships, improve wellbeing and reduce isolation. The West Kent Youth Project provides safe, inclusive activities and opportunities that help young people across the towns and villages in West Kent, to build confidence, friendships, wellbeing and skills for the future.
- £26,000 from the Royal Borough of Greenwich for our Detached Youth project and Schools Mentoring project delivered by the Woolwich Youth service.

YMCA THAMES GATEWAY

TRUSTEES' AND DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2026

- £15,720 secured from Cadent Gas partnership, to deliver information packs, advice and guidance relating to energy efficiency, CO safety and income maximisation. We also benefited from support to deliver a holistic approach to residents' development and support in areas of health & wellbeing, benefits and welfare, employment education and training, money management and general life skills.
- £17,313.16 from YMCA England & Wales from their Room Sponsor Programme, to support the work we do with young people across our sites
- £8,000 from Mr Keith Price for the Bridge Trust Project
- £7728.16 from No Jacket Required (Phil Collins tribute band), for the Bridge Trust Project.
- £4675 from Construction Sealants Ltd to support our Cancer Rehabilitation Programme
- £6500 from Greenwich Healthier Communities Fund, of a total £13000 grant, to deliver one-to-one mentoring at our Woolwich Youth Clubs that helps young people improve their mental wellbeing, build resilience and achieve positive outcomes for the future.
- £10,000 from the Haremead Trust for our Monday Youth Clubs at Woolwich.
- £10,000 from L&Q Foundation for a weekly holiday programme of new sports activities at the Woolwich Youth Clubs
- £1000 from the Stonewall Park Charitable Trust for the Bridge Trust Project
- £1500 from the Jack Petchey Foundation for youth group activities, chosen by the winner of the Jack Petchey Award each year
- We received many thousands of pounds worth of gifts from Dunelm, in Romford, Lakeside and Dartford, and from Bluewater Shopping Centre Giving Tree – all donated by their customers for our residents for Christmas presents.

YMCA THAMES GATEWAY
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VALUE FOR MONEY METRICS

The table below shows the value for money metrics as set out in the Value for Money metrics technical note. The prior year statistics are provided for comparison.

Measure by Regulator	YMCA TG FY25/26	YMCA TG FY24/25
Social housing homes	459	465
Gearing	10%	10%
The Group's relatively low gearing indicates substantial capacity to leverage existing assets for generating funds, whether for new build developments or the introduction of new services in the future.		
EBITDA MRI	(729.6%)	(742.3%)
EBITDA MRI is currently negative, mainly due to substantial spending on revenue works this financial year.		
Operating margin (overall)	(21.6%)	(21.8%)
Operating margin has declined due to cost inflation.		
Headline social housing - cost per unit	£14,780	£14,856
Costs per unit have risen due to inflation. We are currently reviewing the recent cost increases with the aim of securing better value for money and reducing our cost per unit.		
Return on capital employed (ROCE)	(13.6%)	(13.7%)
ROCE has been lower than anticipated due to reduced profitability during the year.		

YMCA THAMES GATEWAY
TRUSTEES' AND DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

STRATEGIC OBJECTIVES FOR YEAR 5 – 2026/27

In this section you will find fresh actions that will see movement towards the wider objective being achieved within the designated five-year period. These "priorities" are detailed further in documents available to all staff on Workplace, with an area of the business leading and others supporting. The activity toward these priorities will be reviewed throughout the year.

Theme	STRENGTHEN THE BRANCHES
Objective 1	Branches to be financially sustainable, offer a balanced portfolio of work and are of high quality
Priority 1	Financial position for each branch identified and financial sustainability goal set
Priority 2	Priorities for new work identified that will optimise the financial position and sustainability of the branch
Priority 3	Management of Change framework to be embedded and implemented across the organisation
Priority 4	Technology is advanced to enhance data security and business efficiencies

Objective 2	We will strengthen existing branches which will include the development of new areas of work
Priority 1	Identify priority areas to address in order to consolidate the branch's position
Priority 2	Branch service review undertaken and gaps in service identified that will meet local community need
Priority 3	Food offer to be open and available where we have a space in the hub, so people can come together and tell their story
Priority 4	Extend our educational work to be able to incorporate a training offer to support business need
Priority 5	Maintain property standards in all buildings

Objective 3	Develop our approach to winning significant contracts and our capacity to deliver them
Priority 1	Identify and expand resources required to win contracts
Priority 2	Contract management process is clear to all involved
Priority 3	Strong stakeholder relationship in place for each branch

Objective 4	New branches to only be developed within Thames Gateway, Kent or Essex
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YMCA THAMES GATEWAY
TRUSTEES' AND DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

Priority 1	Maintain good relationships with our sister YMCAs in the areas of our geography
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Theme	INVEST IN OUR PEOPLE
Objective 1	To attract and retain the best people in the workplace
Priority 1	Review of salary rates for all posts
Priority 2	Develop a pay progression framework linked to pay band increments
Priority 3	Undertake review of working models to provide flexibility, productivity and work life balance for staff

Objective 2	Identify and invest in future leaders
Priority 1	Build on the existing leadership development programme
Priority 2	Succession planning

Objective 3	Implement and embed a Trauma Informed approach to the workforce
Priority 1	To commit to the stages of becoming a Trauma Informed organisation

Theme	EMBRACE SUSTAINABILITY
Objective 1	Develop a sustainability strategy which defines the scope of our sustainability work
Priority 1	Develop a policy statement and 5-year sustainability strategy

Objective 2	Environmental Sustainability Project Steering Group (ESPSG) meets and scopes out the opportunities, priorities and challenges
Priority 1	Implement the proposals from the discovery phase of the ESPSG

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Theme	COMPLETE THE MASTERPLAN
Objective 1	Provide a new state of the art YMCA Community Hub for Havering and Barking & Dagenham residents
Priority 1	Discuss and agree design concept that meets local need
Priority 2	Funding strategy for Romford community hub is agreed
Priority 3	Continue work to maintain decent homes standards in the existing building

Theme	TELL OUR STORY
Objective 1	Tell our story in creative ways
Priority 1	Develop a communications strategy for YMCA TGG incorporating the 'Here for Good' approach in line with YMCA E&W
Objective 2	Ensure the communities we serve understand and embrace our mission and values
Priority 2	Commission an independent survey to enable us to establish a baseline of our local communities' understanding

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TRUSTEES' AND DIRECTORS' REPORT
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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 family inclusion services. YMCA Thames Gateway Group was established in 2021 following a merger between YMCA Thames Gateway and its subsidiary at the time, YMCA West Kent. On 1 July 2024, there was a full transfer of assets and liabilities of this subsidiary into YMCA Thames Gateway. 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, 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 organisation is engaging openly and constructively with the Regulator of Social Housing following publication of its regulatory judgement. The Board accepts the findings and is overseeing a programme of improvement to address the matters identified. Progress is monitored through the organisation's governance arrangements and reported to the Regulator as required. The Board remains committed to achieving and demonstrating compliance with the applicable regulatory

YMCA THAMES GATEWAY
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standards.

RISK MANAGEMENT

The principal risks facing the Group include liquidity and cash flow pressure, failure to deliver the forecast improvement in operating performance, insufficient reserves, loss of commissioned income, lower than planned occupancy, significant property and compliance expenditure, and failure to deliver the required regulatory improvements. These risks are recorded in the corporate risk register and are subject to regular review by management, the relevant committees and the Board. Mitigations include detailed cash flow forecasting, budget and covenant monitoring, occupancy recovery plans, contract retention activity, strengthened property and compliance oversight, and regular reporting against the financial recovery and regulatory improvement plans.

GOING CONCERN

The financial statements have been prepared on a going concern basis. In adopting this basis, the Board has considered the Group's financial performance, liquidity position, cash flow forecasts, borrowing arrangements, covenant compliance and principal risks for a period of at least twelve months from the date of approval of these financial statements.

The Board reviewed actual trading performance for the first quarter of FY2026/27, together with detailed forecasts through to 31 March 2028. The forecasts show a continuing improvement in underlying operating performance during the assessment period. While the Group is expected to remain in deficit during the earlier part of the forecast period to March 2027, forecasts indicate that cash balances will remain positive throughout the assessment period.

The long-term financial plan anticipates a return to a modest surplus of approximately £150,000 by the year ending 31 March 2028. This projected improvement is supported by the full-year effect of restructuring measures, a continued focus on occupancy and income recovery, cost control and the concentration of resources on core services.

The Board recognises that delivery of the forecast is subject to risk. Key sensitivities include occupancy levels, retention of commissioned income, inflation, staffing costs, repairs and compliance expenditure, bad debts and the timing of planned recovery actions. These risks are monitored through regular management reporting, cash flow review, covenant monitoring, stress testing and oversight by the Board and its committees.

During FY26/27, the Group strengthened its financial position through the successful completion of planned property disposals, generating proceeds of approximately £1.5m, and the full repayment of its Revolving Credit Facility with Charity Bank. The Group has also continued to reduce historic creditor balances through an ongoing repayment and reconciliation programme.

The Board has reviewed detailed forecasts prepared using the Group's long-term financial planning model, which incorporate prudent assumptions regarding occupancy levels, income growth, inflation, staffing costs, repairs and maintenance expenditure, bad debts and contractual funding arrangements. The forecasts do not rely on future asset disposals, additional borrowing facilities or other exceptional sources of funding.

YMCA THAMES GATEWAY
TRUSTEES' AND DIRECTORS' REPORT
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The Group remains compliant with all lender covenants and is forecast to maintain significant covenant headroom throughout the assessment period. Sensitivity analysis has been performed to assess the impact of reasonably foreseeable adverse scenarios, including reductions in income and increases in expenditure. Whilst the analysis identified that the loss of a significant commissioned contract could result in covenant pressure, management has identified appropriate mitigating actions, including active occupancy management, contract retention strategies, rigorous budgetary control, enhanced debt recovery procedures and detailed cash flow monitoring.

The Board acknowledges the uncertainties associated with occupancy levels, funding arrangements, inflationary pressures and wider economic conditions. However, having considered the Group's current financial performance, available liquidity, forecast cash generation, covenant compliance and the mitigating actions available, the Board has a reasonable expectation that YMCA Thames Gateway Group has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The Board is also separately exploring a potential merger as part of its long-term strategic planning. However, the going concern assessment has been prepared on a standalone basis and does not rely upon the completion of any merger, acquisition, external financial support or other corporate transaction. The forecasts and conclusions underpinning this assessment assume that YMCA Thames Gateway Group continues to operate as an independent organisation throughout the assessment period.

Accordingly, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 March 2026.

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 7 to

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 04 Sep 2026 and signed on their behalf by:

Mark Johnston-Wood

Mark Johnston-Wood
Chair and Trustee

YMCA THAMES GATEWAY

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

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 trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the surplus or deficit of the 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 and charities SORPSs;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YMCA THAMES GATEWAY

Opinion

We have audited the financial statements of YMCA Thames Gateway (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 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 and the Parent Company affairs for the year ended 31 March 2026 and of the Group's loss 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 group and parent 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.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent 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.

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YMCA THAMES GATEWAY

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to liquidate the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities

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 the Parent Company has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The Company 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 Company. We determined that the following were most relevant: the Housing SORP 2018, Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, Employment Law, Data Protection, GDPR, Health and Safety and safeguarding of vulnerable people
- We considered the incentives and opportunities that exist in the Group and Company, 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 Company, together with the discussions held with the Group and Company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

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

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to valuation of investment properties, dilapidations, onerous leases and impairments
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- 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 Parent Company board minutes for discussions of irregularities including fraud.
- Testing all material consolidation adjustments.

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YMCA THAMES GATEWAY

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 Parent Company.

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

Use of our report

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

Diccon Thornely

Diccon Thornely (Senior Statutory Auditor)

For and on behalf of HW Fisher Audit, Statutory Auditor

Chartered Accountants

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

Date:04 Sep 2026.....

YMCA THAMES GATEWAY

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

		2026	2025
	Notes	£	£
Turnover	3	9,377,424	9,718,177
Operating expenditure		(11,001,524)	(11,740,699)
Operating loss	4	(1,624,100)	(2,022,522)
Interest payable and similar expenses	7	(229,523)	(197,158)
Fair value gains and losses on investments	8	325,184	275,000
Loss before taxation		(1,528,439)	(1,944,680)
Tax on loss	10	-	-
Total comprehensive loss for the year		(1,528,439)	(1,944,680)

The results relate wholly to continuing activities.

YMCA THAMES GATEWAY

GROUP BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Fixed assets					
Tangible assets	12	17,724,377		18,742,610	
Investment properties	13	775,184		450,000	
		<u>18,499,561</u>		<u>19,192,610</u>	
Current assets					
Stocks	16	5,379		9,076	
Debtors	17	838,644		625,288	
Cash at bank and in hand		231,151		518,550	
		<u>1,075,174</u>		<u>1,152,914</u>	
Creditors: amounts falling due within one year	18	(5,413,529)		(5,135,958)	
Net current liabilities		<u>(4,338,355)</u>		<u>(3,983,044)</u>	
Total assets less current liabilities		<u>14,161,206</u>		<u>15,209,566</u>	
Creditors: amounts falling due after more than one year	19	(617,416)		(150,106)	
Provisions for liabilities					
Provisions	21	664,275		613,775	
		<u>(664,275)</u>		<u>(613,775)</u>	
Deferred grants	22	(2,593,103)		(2,630,570)	
Net assets		<u>10,286,412</u>		<u>11,815,115</u>	
Reserves					
Restricted funds	24	97,312		135,850	
Revaluation reserve	25	3,913,999		4,017,101	
Income and expenditure reserve		6,275,101		7,662,164	
Total reserves		<u>10,286,412</u>		<u>11,815,115</u>	

The financial statements were approved by the board of trustees and authorised for issue on 04 Sep 2026 and are signed on its behalf by:

Mark Farrar

 M Farrar
 Trustee

YMCA THAMES GATEWAY

COMPANY BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Fixed assets					
Tangible assets	12	17,724,377		18,742,610	
Investment properties	13	775,184		450,000	
Investments	14	2		2	
		18,499,563		19,192,612	
Current assets					
Stocks	16	5,379		9,076	
Debtors	17	827,351		622,749	
Cash at bank and in hand		199,792		475,543	
		1,032,522		1,107,368	
Creditors: amounts falling due within one year	18	(5,376,625)		(5,122,911)	
Net current liabilities			(4,344,103)		(4,015,543)
Total assets less current liabilities			14,155,460		15,177,069
Creditors: amounts falling due after more than one year	19		(617,416)		(150,106)
Provisions for liabilities					
Provisions	21	664,275		613,775	
			(664,275)		(613,775)
Deferred grants	22		(2,593,103)		(2,630,570)
Net assets			10,280,666		11,782,618
Reserves					
Restricted funds	24	97,312		135,850	
Revaluation reserve	25	3,913,999		4,017,101	
Income and expenditure reserve		6,269,355		7,629,667	
Total reserves			10,280,666		11,782,618

As permitted by s408 Companies Act 2006, the charity has not presented its own income and expenditure account and related notes. The charity's deficit for the year was £1,501,952 (2025: £1,982,791 deficit)

The financial statements were approved by the board of directors and authorised for issue on 04 Sep 2026 and are signed on its behalf by:

Mark Farrar

M Farrar

Trustee

Company Registration No. 06102037

YMCA THAMES GATEWAY

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Restricted reserve £	Property revaluation reserve £	Income and expenditure reserve £	Total £
Balance at 1 April 2024		158,869	4,120,203	9,480,702	13,759,774
Year ended 31 March 2025:					
Deficit from income and expenditure account		(23,019)	-	(1,921,661)	(1,944,680)
Other movements		-	(103,102)	103,123	21
Balance at 31 March 2025		135,850	4,017,101	7,662,164	11,815,115
Year ended 31 March 2026:					
Deficit from income and expenditure account		(38,538)	-	(1,489,901)	(1,528,439)
Other movements		-	(103,102)	102,838	(264)
Balance at 31 March 2026		97,312	3,913,999	6,275,101	10,286,412

YMCA THAMES GATEWAY

COMPANY STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

	Restricted reserve £	Property revaluation reserve £	Income and expenditure reserve £	Total £
Balance at 1 April 2024	158,869	4,120,203	9,486,337	13,765,409
Year ended 31 March 2025:				
Deficit from income and expenditure account	(23,019)	-	(1,959,772)	(1,982,791)
Other movements	-	(103,102)	103,102	-
Balance at 31 March 2025	135,850	4,017,101	7,629,667	11,782,618
Year ended 31 March 2026:				
Deficit from income and expenditure account	(38,538)	-	(1,463,414)	(1,501,952)
Other movements	-	(103,102)	103,102	-
Balance at 31 March 2026	97,312	3,913,999	6,269,355	10,280,666

YMCA THAMES GATEWAY

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

		2026		2025	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	31	(1,337,239)		(159,283)	
Interest paid		(215,120)		(199,158)	
Net cash outflow from operating activities		(1,552,359)		(358,441)	
Investing activities					
Purchase of tangible fixed assets		(481,475)		(9,338)	
Proceeds from disposal of tangible fixed assets		926,773		297,366	
Proceeds from disposal of investments		-		391,588	
Net cash generated from investing activities		445,298		679,616	
Financing activities					
Payment/Repayment of borrowings		819,662		(129,398)	
Net cash generated from/(used in) financing activities		819,662		(129,398)	
Net (decrease)/increase in cash and cash equivalents		(287,399)		191,777	
Cash and cash equivalents at beginning of year		518,550		326,773	
Cash and cash equivalents at end of year		231,151		518,550	

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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 2022 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 Investment in subsidiaries

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 2026. 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.

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

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.4 Going concern

The financial statements have been prepared on a going concern basis. In adopting this basis, the Board has considered the Group's financial performance, liquidity position, cash flow forecasts, borrowing arrangements, covenant compliance and principal risks for a period of at least twelve months from the date of approval of these financial statements.

The Board reviewed actual trading performance for the first quarter of FY2026/27, together with detailed forecasts through to 31 March 2028. Forecasts indicate that cash balances will remain positive throughout the assessment period.

During FY26/27, the Group strengthened its financial position through the successful completion of planned property disposals, generating proceeds of approximately £1.5m, and the full repayment of its Revolving Credit Facility with Charity Bank. The Group has also continued to reduce historic creditor balances through an ongoing repayment and reconciliation programme.

The Board has reviewed detailed forecasts prepared using the Group's long-term financial planning model, which incorporate prudent assumptions regarding occupancy levels, income growth, inflation, staffing costs, repairs and maintenance expenditure, bad debts and contractual funding arrangements. The forecasts do not rely on future asset disposals, additional borrowing facilities or other exceptional sources of funding.

The Group remains compliant with all lender covenants and is forecast to maintain significant covenant headroom throughout the assessment period. Sensitivity analysis has been performed to assess the impact of reasonably foreseeable adverse scenarios, including reductions in income and increases in expenditure. Whilst the analysis identified that the loss of a significant commissioned contract could result in covenant pressure, management has identified appropriate mitigating actions, including active occupancy management, contract retention strategies, rigorous budgetary control, enhanced debt recovery procedures and detailed cash flow monitoring.

The Board acknowledges the uncertainties associated with occupancy levels, funding arrangements, inflationary pressures and wider economic conditions. However, having considered the Group's current financial performance, available liquidity, forecast cash generation, covenant compliance and the mitigating actions available, the Board has a reasonable expectation that YMCA Thames Gateway Group has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The Board is also separately exploring a potential merger with YMCA St Paul's Group as part of its long-term strategic planning. However, the going concern assessment has been prepared on a standalone basis and does not rely upon the completion of any merger, acquisition, external financial support or other corporate transaction. The forecasts and conclusions underpinning this assessment assume that YMCA Thames Gateway Group continues to operate as an independent organisation throughout the assessment period.

Accordingly, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 March 2026.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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.

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:

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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, electrical and flooring	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

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.

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. Changes in fair value are recognised in profit or loss.

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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.

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 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.

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.15 Retirement benefits

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

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

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

1.16 Interest payable

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

1.17 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.

1.18 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.

1.19 Foreign exchange

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

1.20 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

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.

The following judgement has had the most significant effect on amounts recognised in the financial statements.

Valuation of investment properties

Determining the fair value of the charity's investment properties as at each balance sheet date involves an element of estimation. The fair value as at the year end have been agreed to valuations carried out by third parties. The resulting estimation uncertainty is managed by referring to available market evidence for similar properties.

Dilapidations

The Group is required to assess its obligations to restore leased properties to their original condition at the end of tenancy agreements. Estimating the cost and timing of these works involves judgement, particularly where properties have been exited early, repurposed, or are in poor condition. Assumptions include the scope of required works and contractor pricing.

Onerous leases

Where the Group occupies properties that are no longer economically viable, or where services have been discontinued, management must determine whether the lease is onerous. This requires estimating unavoidable lease costs, potential sublease income, and the period over which losses will arise. Judgement is required in assessing future utilisation, market conditions, and the likelihood of early termination or assignment.

Impairments

The Group assesses whether indicators of impairment exist for tangible assets, particularly where services have been restructured, discontinued, or transferred. Estimating recoverable amounts involves judgement about future cash flows, service viability, and asset condition.

These judgements are particularly important in the current financial context, where restructuring activities, service divestments, and legacy cost pressures increase the level of estimation uncertainty.

Loans

During the financial year 2025/26, an amount totalling £500,000 was secured from two funding partners to support the planning and development phase of the project. In January 2026, the planning consent was secured and approval for a Greater London Authority (GLA) grant to deliver a new replacement hostel at its Romford site. To receive the GLA grant and bring the project into delivery, the Charity will either need to secure GLA Investment Partner Qualification status or to enter into a delivery partnership with another provider.

For the purpose of these accounts the loan is included as short term borrowing reflecting the underlying agreements and capital spending has been included under fixed asset additions.

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

3 Income

For the year ended 31 March 2026

	Turnover	Operating costs	Operating (Loss)/Surplus
	£	£	£
Social housing			
Rent and housing	3,886,161	4,829,733	(943,572)
Service charges	2,001,961	2,488,044	(486,083)
Social housing grant	1,177,932	446,499	731,433
	7,066,054	7,764,276	(698,222)
 Non-social housing activities			
Other income	27,707	10,502	17,205
Health and wellbeing	520,205	451,649	68,556
Child and family services	926,331	1,466,042	(539,711)
Youth services	438,694	641,660	(202,966)
Catering services	80,369	424,097	(343,728)
Other activities	318,064	243,298	74,766
	2,311,370	3,237,248	(925,878)
	9,377,424	11,001,524	(1,624,100)

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

3 Income

(Continued)

For the year ended 31 March 2025

	Turnover	Operating costs	Operating (Loss)/Surplus
	£	£	£
Social housing			
Rent and housing	4,007,427	4,511,408	(503,981)
Service charges	2,064,432	2,324,059	(259,627)
Social housing grant	861,744	72,667	789,077
	<u>6,933,603</u>	<u>6,908,134</u>	<u>25,469</u>
Non-social housing activities			
Other income	102,033	193,344	(91,311)
Health and wellbeing	379,054	571,546	(192,492)
Child and family services	1,325,202	2,318,833	(993,631)
Youth services	35,339	402,446	(367,107)
Catering services	107,298	765,503	(658,205)
Other activities	834,208	580,893	253,315
Other grants taken to income	1,440	-	1,440
	<u>2,784,574</u>	<u>4,832,565</u>	<u>(2,047,991)</u>
	<u>9,718,177</u>	<u>11,740,699</u>	<u>(2,022,522)</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 YMCA Thames Gateway as it is the only registered provider in the group.

4 Operating loss

	2026 £	2025 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(37,467)	(37,467)
Fees payable to the group's auditor for the audit of the group's financial statements	120,000	183,000
Fees payable to the group's auditor for the audit of the group's financial statement in respect to the prior year	129,000	172,000
Fees payable to the group's auditor for non audit services	17,450	17,000
Fees payable to auditors of subsidiary entities	45,000	45,000
Depreciation of owned tangible fixed assets	399,290	623,220
Impairment of owned tangible fixed assets	173,645	231,344
Operating lease charges	131,385	173,466

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

4 Operating loss

(Continued)

Operating loss for the year ended 31 March 2026 has been impacted by 2 exceptional items. These were an impairment of assets of £174k and provisions for dilapidations of £50k, having a total impact of £224k.

5 Employees

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

	Group 2026 Number	2025 Number	Company 2026 Number	2025 Number
Housing	55	52	55	52
Community health	7	13	7	13
Children's services	33	46	33	46
Youth services	9	10	9	10
Catering services	9	13	9	13
Executive team	7	11	7	11
Corporate services and administration	20	28	20	26
Site operations and cleaning	19	19	18	19
Membership and reception	9	8	8	8
Education	15	12	11	9
Total	183	212	177	207

Their aggregate remuneration comprised:

	Group 2026 £	2025 £	Company 2026 £	2025 £
Wages and salaries	5,610,846	5,546,663	5,512,169	5,375,689
Social security costs	563,091	425,054	551,209	417,426
Pension costs	201,536	224,543	198,829	221,451
	6,375,473	6,196,260	6,262,207	6,014,566

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

5 Employees (Continued)

The number of staff who received emoluments of £60,000 or more were:

	Group 2026 Number	2025 Number	Company 2026 Number	2025 Number
£70,001 to £80,000	1	2	1	2
£80,001 to £90,000	1	1	1	1
£100,001 to £110,000	1	1	1	1
	<u>3</u>	<u>4</u>	<u>3</u>	<u>4</u>

6 Executive staff emoluments

	2026 £	2025 £
Emoluments	626,473	642,682
Pension contributions	66,770	63,444
Total emoluments	<u>693,243</u>	<u>706,126</u>

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

	2026 £	2025 £
Emoluments	118,197	116,000
Pension contributions	12,900	7,000
	<u>131,097</u>	<u>123,000</u>

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

7 Interest payable and similar expenses

	2026 £	2025 £
Interest on bank overdrafts and loans	162,404	155,872
Other interest on financial liabilities	52,716	20,987
Unwinding of discount on pension obligation	14,403	20,299
Total finance costs	<u>229,523</u>	<u>197,158</u>

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

8 Fair value gains/(losses) on fixed asset investments

	2026	2025
	£	£
Movement in market value	325,184	275,000
	<u> </u>	<u> </u>

9 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.

10 Taxation

As a registered charity, YMCA Thames Gateway is exempt from UK tax on income and gains to the extent that these are applied to their charitable objects. No UK tax charges have arisen during the year (2025: £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 (2025: £nil).

11 Impairments

	Notes	2026	2025
		£	£
In respect of:			
Property, plant and equipment	12	173,645	231,344
		<u> </u>	<u> </u>

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

12 Tangible fixed assets

Group	Freehold buildings £	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 April 2025	21,552,253	2,046,701	2,399,023	89,902	85,908	26,173,787
Additions	481,475	-	-	-	-	481,475
Disposals	(1,245,927)	-	-	-	-	(1,245,927)
At 31 March 2026	20,787,801	2,046,701	2,426,532	89,902	85,908	25,436,844
Depreciation and impairment						
At 1 April 2025	3,726,563	1,224,986	2,303,818	89,902	85,908	7,431,177
Depreciation charged in the year	305,952	39,431	53,907	-	-	399,290
Impairment losses	-	173,645	-	-	-	173,645
Eliminated in respect of disposals	(319,154)	-	-	-	-	(319,154)
At 31 March 2026	3,713,361	1,438,062	2,385,234	89,902	85,908	7,712,467
Carrying amount						
At 31 March 2026	17,074,440	608,639	41,298	-	-	17,724,377
At 31 March 2025	17,825,690	821,715	95,205	-	-	18,742,610

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 2026 is £6,711k (2025: £6,230k).

At the year end, the net book value included in tangible fixed assets in relation to properties used for social housing activities was £18.4m (2025: £18.4m).

For the year ended 31 March 2026, tangible fixed assets for the group were the same as for the company (2025: the group had assets totalling £17,724k and the company held assets totalling £18,743k).

In the year we have impairment losses in relation to Thamesmead Nursery.

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

13 Investment property

	Group 2026 £	Company 2026 £
Fair value		
At 1 April 2025	450,000	450,000
Net gains or losses through fair value adjustments	325,184	325,184
	<u>775,184</u>	<u>775,184</u>
At 31 March 2026	<u>775,184</u>	<u>775,184</u>

The freehold land was valued by an external valuer, McDowalls Surveyors Limited, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with RICS Red Book Global standards 2025.

14 Fixed asset investments

	Notes	Group 2026 £	2025 £	Company 2026 £	2025 £
Investments in subsidiaries	15	-	-	2	2
		<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2026 are as follows:

Name of undertaking	Registered office
West Kent YMCA Trading Limited	1-23 Belgrave Road, Tunbridge Wells, TN1 2BP

In addition, the company has three dormant subsidiaries which are The Bridge Trust Corporation, West Kent YMCA Academy Trust Ltd, and YMCA West Kent.

The financial statements consolidate the results of West Kent YMCA Trading Limited.

16 Stocks

	Group 2026 £	2025 £	Company 2026 £	2025 £
Finished goods and goods for resale	5,379	9,076	5,379	9,076
	<u>5,379</u>	<u>9,076</u>	<u>5,379</u>	<u>9,076</u>

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

17 Debtors

	Group 2026	2025	Company 2026	2025
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	475,020	356,356	472,349	354,680
Other debtors	215,623	200,296	212,955	199,434
Prepayments and accrued income	148,001	68,636	142,047	68,635
	<u>838,644</u>	<u>625,288</u>	<u>827,351</u>	<u>622,749</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2026	2025	Company 2026	2025
		£	£	£	£
Other borrowings	20	3,213,708	3,056,765	3,213,708	3,056,765
Trade creditors		409,564	742,959	406,255	742,343
Other taxation and social security		108,878	107,600	108,878	107,600
Other creditors		207,833	200,755	207,833	200,755
Accruals and deferred income		1,473,546	1,027,879	1,439,951	1,015,448
		<u>5,413,529</u>	<u>5,135,958</u>	<u>5,376,625</u>	<u>5,122,911</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2026	2025	Company 2026	2025
		£	£	£	£
Other borrowings	20	605,826	-	605,826	-
Accrued pension deficit contributions		11,590	150,106	11,590	150,106
		<u>617,416</u>	<u>150,106</u>	<u>617,416</u>	<u>150,106</u>

20 Loans and overdrafts

	Group 2026	2025	Company 2026	2025
	£	£	£	£
Other loans	<u>3,819,534</u>	<u>3,056,765</u>	<u>3,819,534</u>	<u>3,056,765</u>
Payable within one year	3,213,708	3,056,765	3,213,708	3,056,765
Payable after one year	<u>605,826</u>	<u>-</u>	<u>605,826</u>	<u>-</u>

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

20 Loans and overdrafts

(Continued)

YMCA Thames Gateway has a loan with Charity Bank to finance the build of 39 new units of accommodation on the Rush Green Road site and to purchase Brentwood Foyer. At 31 March 2026 the balance owing is £2.13m (2025: £2.18m). Interest is chargeable on this amount at a rate equal to the Bank of England base rate plus 1.98%. Charity Bank has a charge over the property with full title guarantee by way of legal mortgage. The loans are repayable in instalments until 2046.

To further support working capital, the Group secured an additional £750k revolving credit facility (RCF) from The Charity Bank during the year. At 31 March 2026 the balance owing is £502k. The loan is repayable by 30 June 2026 and as of the date of signing these accounts the loan has been repaid in full.

The Charity also has a loan from YMCA England & Wales which funded the freehold purchase of the Roundhouse hostel as part of the merger with YMCA Thames Gateway (South) Limited. At the year end, the balance outstanding is £691k (2025: £878k), with £85k (2025: £878k) being the short term element and £606k (2025: £nil) being the long term element. 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.

As at 31 March 2026, YMCA Thames Gateway has breached its debt service ratio covenant with Charity Bank and technically, at 31 March 2026, Charity Bank therefore has the right to demand immediate repayment of the loan. The loan is therefore stated in the financial statements as being payable on demand; the loan was similarly reclassified in the previous period.

Included in loans are £500k of short term finance to fund the costs in connection with the Planning Application of 29 Rush Green Road. If GLA funding is secured, these loans will be repayable to the 2 lenders. If GLA funding is not secured then repayment is waived as per the loan agreements. Further details are included in Note 27.

21 Provisions for liabilities

	Group		Company	
	2026	2025	2026	2025
	£	£	£	£
Dilapidations	664,275	613,775	664,275	613,775

22 Deferred income

	Group		Company	
	2026	2025	2026	2025
	£	£	£	£
Arising from government grants	2,630,570	2,668,037	2,630,570	2,668,037
Other deferred income	186,627	-	186,627	-
	2,817,197	2,668,037	2,817,197	2,668,037

Deferred capital grants are included in the financial statements as follows:

Current liabilities	37,467	37,467	37,467	37,467
Non-current liabilities - falling due in more than 1 year	2,593,103	2,630,570	2,593,103	2,630,570
	2,630,570	2,668,037	2,630,570	2,668,037

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

22 Deferred income

(Continued)

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.

23 Retirement benefit schemes

	2026	2025
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	201,536	224,543

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

YMCA Thames Gateway participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA Thames Gateway and at the year end these were invested in the Mercer Dynamic De-risking Solution, 65% matching portfolio and 35% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2023. 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 of 4.56%, the increase in pensions in payment of 3.18% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24.0 years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.2m, which represented 92% 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 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. YMCA Thames Gateway has been advised that it will need to make monthly contributions of £12.2k from 1 May 2024. 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 5.1% (2023: 3%). The current recovery period is 3 years commencing 1st May 2024. This liability is shown in notes 18 and 19.

24 Restricted Funds

	Group		Company	
	2026	2025	2026	2025
	£	£	£	£
At the beginning of the year	135,850	158,869	135,850	158,869
Incoming resources	59,063	33,760	59,063	33,760
Resources expended	(97,601)	(56,779)	(97,601)	(56,779)
At the end of the year	97,312	135,850	97,312	135,850

The balance is primarily made up of funds from The National Lottery Community Fund, Reaching Communities - West Kent Youth and Family Inclusion projects and L&Q youth work project.

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

25 Revaluation reserve

	Group 2026 £	2025 £	Company 2026 £	2025 £
At the beginning of the year	4,017,101	4,120,203	4,017,101	4,120,203
Transfer in respect of additional depreciation	(103,102)	(103,102)	(103,102)	(103,102)
At the end of the year	<u>3,913,999</u>	<u>4,017,101</u>	<u>3,913,999</u>	<u>4,017,101</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 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 2026 £	2025 £	Company 2026 £	2025 £
Within one year	131,536	124,536	131,385	124,536
Between two and five years	471,635	541,056	471,635	541,056
	<u>603,171</u>	<u>665,592</u>	<u>603,020</u>	<u>665,592</u>

27 Related party transactions

During the year, recharges totaling £108,608 (2025: £126,365) were made to West Kent YMCA Trading Limited by YMCA Thames Gateway.

At the year-end, West Kent YMCA Trading Limited owed YMCA Thames Gateway £222,473 (2025: £220,783). This has been fully provided as a potential bad debt at 31 March 2026 within YMCA Thames Gateway charity.

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

28 Events after the reporting date

Business Changes

We have extended the Tower House lease to include a new sub tenant.

Property Disposals

Since the year end we have received £1.5m from the sale of 4 properties with a Net Book Value of £1.6m.

Bank Facilities

The final £500k of a Revolving Credit Facility from the Charity Bank was repaid in June 2026. No new facilities or loans have been accessed since the year end.

Rush Green Road Development

During the financial year 2025/26, an amount totalling £500,000 was secured over a number of months, June, September and December, from two funding partners to support the planning and development phase of the project. In January 2026, the planning consent was secured, subject to IPQ status as detailed below, and approval for a Greater London Authority (GLA) grant to deliver a new replacement hostel at its Romford site. The development represents a significant expansion of the organisation's mission, increasing capacity by a net additional 40 rooms and providing accommodation for 184 homeless young people once complete.

To receive the GLA grant and bring the project into delivery, the Charity will either need to secure GLA Investment Partner Qualification status or to enter into a delivery partnership with another provider. The funding for the hostel will be GLA grant £25.7m plus a construction finance loan £13m – repayable through rental income. A special purpose vehicle has been established as a wholly owned subsidiary of the charity to develop the scheme and transfer the completed asset to the Charity, with completion currently anticipated in 2029.

The Rush Green Road redevelopment remains strategically important and is intended to provide a long-term solution for ageing hostel accommodation at Rush Green Road.

29 RGR Ltd is a Special Purpose Vehicle (SPV) established by YMCA Thames Gateway to act as the delivery vehicle for the Rush Green Road development project, separating the project from the charity's core operations to reduce risk, strengthen governance, facilitate funding arrangements, and support VAT recovery.

Establishment of a Youth Subsidiary

The Trustees have established a new youth-focused subsidiary to support the organisation's charitable youth work. YMCA Thames Gateway Youth Ltd will enable access to grant funding that is currently unavailable due to turnover ceilings, which are exceeded as a result of the scale of the housing business. The new structure is intended to enhance financial sustainability and diversify income streams in support of the organisation's charitable objectives.

Potential Merger

The Board is exploring a potential merger with a suitable merger partner as part of its long-term strategic planning. The merger project is now in formal due diligence phase, with data gathering, project mobilisation and external assurance underway. The work is not yet sufficiently complete enough to support final merger decisions.

The Board recognise that the final decisions should be evidence-led and may require further work beyond September.

Regulator of Social Housing (RSH) judgment on YMCA Thames Gateway

The RSH judgment found that YMCA Thames Gateway was not meeting the Regulator's required standards in relation to governance, financial viability, asset management, compliance, and health and safety assurance. While recognising the seriousness of the historical weaknesses identified, YMCA TG Trustees accepted the findings and highlighted that a significant recovery and improvement programme was already underway, including strengthened governance, enhanced financial controls, asset disposals, improved health and safety arrangements, stock condition surveys, and the possibility of a strategic merger to support long-term sustainability.

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

29 Contingent liabilities

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 Ryder House, 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.

Grants - Group and Company

At 31 March 2026 there are £2,631k (2025: £2,668k) of deferred grants in YMCA Thames Gateway from the Greater London Authority (GLA) for the construction of affordable housing at our Romford Site (Park View). 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.

VAT - Company

As at 31 March 2023, it was identified that YMCA West Kent charity should have been registered for VAT as a result of the recharged salary costs to the trading subsidiary, West Kent YMCA Trading Ltd, being considered to be a business supply for purposes of VAT. However, as West Kent YMCA Trading Ltd is VAT registered, the VAT on the re-charged expenses would have been reclaimable as at 31 March 2024, 31 March 2025 and 31st March 2026.

On the basis that the overall net amount due to HMRC would amount to £Nil, the Trustees are of the opinion that any payment required to HMRC would be possible and not probable and therefore it is appropriate to include a contingent liability in these financial statements. The potential VAT due to HMRC amounts to circa £187,000 as at 31 March 2026.

30 Analysis of changes in net debt - group

	1 April 2025 £	Cash flows £	31 March 2026 £
Cash at bank and in hand	518,550	(287,399)	231,151
Borrowings excluding overdrafts	(3,056,765)	(762,769)	(3,819,534)
	<u>(2,538,215)</u>	<u>(1,050,168)</u>	<u>(3,588,383)</u>

YMCA THAMES GATEWAY

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

31 Cash absorbed by group operations

	2026 £	2025 £
Loss after taxation	(1,528,439)	(1,944,680)
Adjustments for:		
Finance costs	229,523	197,158
Depreciation and impairment of tangible fixed assets	572,935	854,564
Other gains and losses	(325,184)	(275,000)
Pension scheme non-cash movement	(138,516)	(131,793)
Increase in provisions	50,500	88,775
Increase/(decrease) in deferred income	(37,467)	(37,466)
Movements in working capital:		
Decrease/(increase) in stocks	3,697	(1,570)
(Increase)/decrease in debtors	(213,356)	415,971
(Decrease)/increase in creditors	(25,866)	674,758
Cash absorbed by operations	(1,337,239)	(159,283)