

# YMCA England & Wales

## Annual report & accounts

Year ended 31 March 2023

# YMCA

Here for young people  
Here for communities  
Here for you





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# Welcome to National Council Annual Report

2022-23 has been a year of focussing on the challenges of the post-pandemic era – the current difficult external environment, the need to adapt and change the way we run our services and programmes to meet the demands of the ‘new’ ways we live and work; whilst at the same time putting in place the blueprint for how the YMCA federation will consolidate and grow over the next decade.

Even with a fair wind behind us, recovery from the pandemic period was also going to pose a significant challenge for any organisation, including YMCA. The lockdowns and ongoing restrictions had a significant impact, requiring YMCAs to close, restrict or alter many of its services and the inevitable consequences that this had on staffing and finances – ironically, just at a time when demand for our services and programmes significantly increased. Emerging from the pandemic period was not simply a revert back to the way things were pre-March 2020. The world has changed and all of the assumptions and plans based on how things used to be were no longer relevant. At the centre of this was the question of how does YMCA post-pandemic continue to reach and deliver services and programmes to those young people and communities that need it most?

This is a significant challenge in itself, but YMCAs have been responding to this challenge against the backdrop of a bleak external environment – the consequences of which have and continue to impact upon YMCAs from different angles.

Inflation has reached levels not seen for a generation which has meant higher costs on virtually every supply area, together with increasing demands on our pay bill as we seek to support our own staff who are facing similar increases on their own cost of living. And of course, the dramatic increase in the cost of energy means that YMCAs are facing energy bill increases, in some cases quadrupling increase, that simply are not sustainable in the medium to long term.

Increased interest rates – the highest in some twenty years - have pushed up the cost of loan repayments, whilst making new finance more

expensive and difficult to access thereby stifling investment across the federation. Add to this the ongoing significant issue of YMCAs being able to recruit and retain appropriately skilled staff and it gives a very real sense of the challenges that the YMCA federation have been facing in the past year.

Despite all of these challenges, YMCAs have, however, continued to show resilience. They are meeting these challenges head on and are and evolving and changing to meet the additional demands being placed upon them. Not only is this being done by individual YMCAs in their own localities, but also combined, on a national level, working and collaborating in partnership. YMCAs are clear that the way forward is not just to plan to stand still but rather to consolidate, grow and expand our programmes and services to operate in even more communities and reach those who most need our support.

It is this ambition that saw at our national conference in April 2022 the unveiling of our new Federation Strategy 2022-2030. Our Federation Strategy represents a bold statement of how we want YMCA to develop over the next decade. It focuses on four key themes of Leadership & Influence; Excellence & Impact; Growth & Reach; and Awareness & Support. It represents our collective ambition for YMCA to be a sector leader, known for delivering high quality programmes and services; in every local authority area of England & Wales; and making a real and positive difference to the young people and communities that we serve. There is much to do in implementing the strategy, but the belief and determination is there to bring this strategy to life.

The role of YMCA England & Wales is to ‘support, represent and develop’ the Federation to enable YMCAs to achieve this collective ambition. During 2022-23 YMCA England & Wales has continued

to give support to YMCAs where required to help them meet the challenges before them, whilst ensuring that it continues to do this from a sound financial base. Central to that activity has been income generation to distribute to member YMCAs to support their work in their local communities. Our fundraising team at YMCA England & Wales delivered a net return of £2.1 million, together with a surplus of £1.0 million from our retail operation. This has enabled YMCA England & Wales to distribute some £1.9 million to support local YMCAs in their work.

These income generation results together with continuous efforts to drive down expenditure meant that YMCA England & Wales delivered an unrestricted operational surplus of £1.3 million for 2022-23. Our focus moving forward is to maintain and grow these results even further so that YMCA England & Wales can continue to support the vital work of local YMCAs.

The challenges during 2022-23 have indeed been significant, but there is also much to be confident about. We are ambitious about the future and have set out a clear vision through the Federation Strategy to expand our reach, to bring YMCAs to more towns and cities across England & Wales so that even more young people and communities can really feel that they can ‘belong, contribute and thrive’. Let us go forward together and make that vision a reality!



**Roy O'Shaughnessy**  
Chair,  
YMCA England & Wales



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

**YMCA is proud to be the oldest and largest youth charity in the world, with our foundations first rooted in England in 1844.**



**Over the years, YMCA has evolved into a significant global movement, passionately helping more than 58 million people across 120 different countries.**

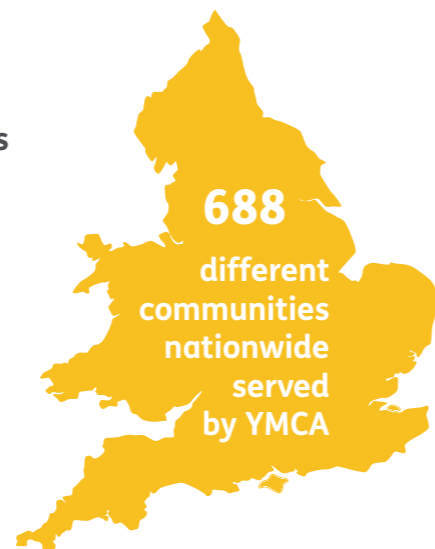


Here for young people  
Here for communities  
Here for you



85 YMCAs provide services throughout England and Wales

YMCA impacts upon the lives of more than **375,000** young people every year



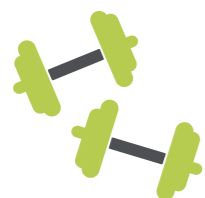
# What YMCA does



YMCA's housing services provide **9,466** beds and connects more than **20,000** young people with case workers helping them to live independently



YMCA works with **166,039** children, young people, parents and carers to provide the best possible start in life and support into teenage years and beyond



YMCA provides health and wellbeing across **215** sites in England and Wales, helping more than **132,000** people through healthy living activities



YMCA offers more than **20,000** young people practical skills and hands-on learning through training and education



YMCA has enabled **36,560** young people to have someone to talk to or a helping hand

# How YMCA influenced



15 new Youth Ambassadors recruited and undertaking training



13 references to YMCA work in parliament

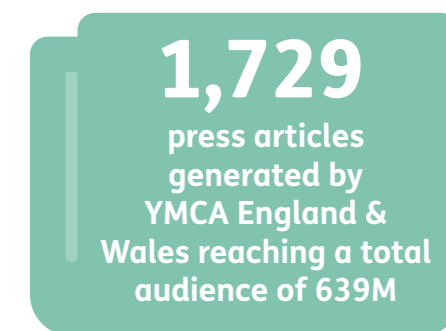
850 reached in our Small Talks campaign during Mental Health Awareness Week



2,614 signatures of our Cost of Living petition



67 young people involved in our policy and research work



1,729 press articles generated by YMCA England & Wales reaching a total audience of 639M



4 research reports and 2 national campaigns undertaken

# Together YMCA

Helps ensure that everyone has a fair chance to discover who they are and what they can become



# YMCA aspires to

Achieve more and better together

# YMCA England & Wales

YMCA is proud to be the oldest and largest youth charity in the world, with our foundations first rooted in England in 1844. Across the globe YMCA passionately helps more than 58 million people across 119 different countries with its founding YMCA in London. YMCA England and Wales (National Council of YMCAs) provides support, representation and development on behalf of 85 local YMCAs working in almost 740 different communities to intensively support young people and communities so that they have an opportunity to truly belong, contribute and thrive in today's society. YMCAs provide services across five core areas, namely the provision of accommodation, training and education, family work, health and well-being and support and advice.

YMCA England & Wales is **committed to supporting YMCAs** and promoting high standards of work. We achieve this by sharing practices, implementing core requirements through membership agreements, providing expert intervention and support whenever needed but also through risk management. Our fundraising efforts, including operating retail shops in local communities, not only generating financial but also non-financial benefits in the form of local employment and connecting people with essential services. In addition to our support, we collaborate with YMCAs to explore new opportunities. This includes funded initiatives like Y-Girls and Girls Move, Corporate partnerships such as Sidley, Cadent, and Vestry Holdings, as well as training and knowledge sharing for staff and volunteers. Our support extends beyond the UK, as we distributed funding to provide direct assistance to YMCA Europe to aid with the challenges in Ukraine. Depending on need, our support can take many forms, such as financial aid, human resources assistance, press and communications management, business modelling advice or good governance support. We also support YMCAs in acting in the role of Principal Employer for pensions matters, lead joint procurement initiatives, and offer direct corporate services such as payroll and HR to YMCAs where requested.

YMCA England & Wales **represents YMCAs** by

advocating for the needs of the most vulnerable individuals in England and Wales. We engage with government, key policymakers, and national media to influence and shape the future agenda. Throughout the year, we have campaigned on various important issues, including accommodation challenges for young people, the impact of living costs on households, and the underfunding of the early years sector. We strive to influence the outcome of government funding decisions and targeted funding allocations such as the Youth Investment Fund and levelling up funding. While driving our national flagship campaigns, we also ensure that our local YMCAs maintain connections with our European and International movements.

To **develop YMCAs**, we encourage collaborative efforts on joint opportunities. We have been working on a new Federation Strategy that reflects our collective ambition, and we have identified four priority areas for further work: brand amplification, housing growth, reviewing business models and viability, and strengthening our own ethos and culture. This work builds upon local efforts and enables YMCAs to expand together and reach more beneficiaries in diverse communities. Additionally, we foster partnerships that generate opportunity and develop collective tools for better articulating our impact that demonstrate the value of YMCAs in our society, engaging in wider opportunity that will further the work that we do.

As we move forward, we honour our heritage and faith while ensuring our relevance in the 21st century and ensure that we strive to meet the needs of local communities for many years to come. In this respect in December 2022, we were extremely proud to receive the Queen Elizabeth II Platinum Jubilee Volunteering Award in recognition of our commitment to youth and community empowerment.

### Public Benefit

We have no doubt that our activities provide significant public benefit. The work of YMCA makes a tangible difference in the lives of young people and communities every day. This is recognised in numerous inspiring stories from beneficiaries whose lives have been transformed by the support and services provided by YMCA. We acknowledge that the success of YMCA is thanks to the dedication of our staff and volunteers, as well as the generosity of our supporters which provide the foundations for our work.

## Role of the National Council of YMCAs (YMCA England and Wales)

The role of the National Council can best be summarised in the table below:

- 
**Uphold membership standards**  
 To oversee and monitor the implementation of the Membership Agreement to deliver a common approach to standards across the YMCA Federation.
- 
**Assurance, risk and compliance**  
 To deliver a high level of confidence across the Federation in relation to agreed compliance levels being achieved and identifying potential areas of concern.
- 
**Intervention and support**  
 To ensure potential risks are mitigated through intervention and support.
- 
**Policy, research and advocacy**  
 To effect positive change on key policy areas impacting upon the work that matters most to the YMCA Federation and our beneficiaries.
- 
**Press, campaigns, brand and communications:**  
 To promote the work of YMCA, its positive impact upon the lives of our beneficiaries, and ensuring a high level recognition of YMCA's brand.

- 
**Faith**  
 To ensure the Federation has the resources, thinking and strategy to hold its Christian identity and apply that in the 21<sup>st</sup> century; enabling the Federation to deepen bonds of unity; and for faith to find its place in our local, regional, and national identity.
- 
**Heritage**  
 As the stewards of YMCA's heritage, to protect, enhance and enrich our history.
- 
**Strategy and growth**  
 To facilitate and promote strategies within the YMCA movement that provide for growth, innovation and collaboration across the Federation.
- 
**Impact measurement**  
 To establish a number of coherent key impact measurement indicators across the main work areas to show the overall impact of YMCA work throughout England and Wales.
- 
**International, democracy and engagement**  
 To represent YMCAs across England and Wales on the international stage, and to facilitate opportunities for all member YMCAs to engage and contribute to the future direction of the Federation.
- 
**Financial sustainability**  
 There are four components to financial sustainability covering pensions management; fundraising, including business development; retail; and value for money

# Strategic objectives

## 2022-2030 Federation Strategy

The Federation Strategy sets out the collective ambition for all YMCAs across England and Wales, highlighting the areas where, by working together, we can have greatest impact. This sets out an ambitious agenda of change, building on the solid foundations of the previous 2017-2021 Federation Strategy, whilst shifting the agenda such that is less concerned with ‘internal machinery’ but rather provides the basis to provide more YMCA services into more communities. A copy of the 2022-2030 Federation Strategy can be accessed [here](#).

Work has continued in 2022-23 to further the strategy, including the formation of a Federation Strategy Delivery Group (FSDG) to take forward the agenda, but also individual Project Groups to take forward identified early priorities for action. These latter priorities have included to progress activity in relation to housing growth to meet beneficiaries needs, the identification of business models and challenges of viability, tools to deliver a YMCA ethos and culture and a means of ensuring that the work of YMCA, and our contribution, is recognised through brand amplification. By pursuing the Federation Strategy of collective ambition, it is planned that YMCAs will be able to deliver more work, which in turn will further fulfil the ambition set out in the international YMCA Vision as represented by our International Vision 2030. This latter vision, which reflects the global priorities for all YMCAs, has four key pillars namely: a just world; a sustainable planet, a meaningful work and community well-being.

## 2022-2030 National Council of YMCAs Strategy

Whilst recognising that the National Council have a key role to play in the delivery of the Federation Strategy’s collective ambition, we are also mindful of our day-to-day role in relation to support, represent and develop, as set out in our Governing documents. With the 2022 to 2030 Federation Strategy setting out a future direction, the Board have taken the opportunity during 2022 to articulate the National Council’s future strategy and thereby inform the business plan targets for 2023-24 and resourcing priorities. The Board considered that the National Council Strategy 2022-2030 should have three pillars:

**Pillar 1:**  
Recognising our role in contributing to the Federation Strategy.

**Pillar 2:**  
Recognising our foundational role in relation support, develop and represent to member YMCAs.

**Pillar 3:**  
Recognising our own charity in our own right and being exemplary in everything that we do.

In relation to our contribution to the Federation Strategy, the Board determined that the National Council should adopt the Federation goals, strategies and objectives in full, and in this way recognise our part in driving forward this collective ambition. In this regard the Pillar 1 goals of the National Council’s strategy are to:

**Goal A:**  
Leadership and Influence: Lead change that brings about a more just, inclusive, and equitable future.

**Goal B:**  
Excellence and Impact: Transform lives with programmes that are second to none in quality.

**Goal C:**  
Growth and Reach: Provide more support in more places, to more people, where there is unmet need.

**Goal D:**  
Awareness and Support: Achieve high levels of public understanding of the issues people and communities face, driving urgency, support, and empathy for others so that the public shares and supports our goals.

The foundational role that the National Council undertakes for YMCAs will always be required, irrespective of our current strategy. In relation to our foundational role (Pillar 2) a number of goals were identified to:

**Goal A:**  
Improve democratic coherence.

**Goal B:**  
Facilitate the delivery of the Federation Strategy and population of future plans.

**Goal C:**  
Achieve exemplary standards and risk mitigation across All YMCAs.

**Goal D:**  
Support All YMCAs in becoming financially sustainable.

Finally in relation to our role as an exemplary charity (pillar 3), and internal aspects in relation to our people, our ethos and culture, our finance, our structure, our governance, our environment and the use of technology our goals are to:

**Goal A:**

Be an employer of choice.

**Goal B:**

Define, articulate and evidence our value to members.

**Goal C:**

Ensure we are exemplary in our approach to governance.

**Goal D:**

Build an infrastructure that supports our strategic ambitions and increases our capacity for growth.

The above goals are underpinned by strategies and objectives that take forward each of these broad goal areas. The priorities for action are then reflected in our 2023-24 Business Plan which in turn has informed the allocation of resources for the 2023-24 financial year.

In relation to the 2022-23 Business Plan objectives these were identified against service lines, with those considered to be internally focused termed ‘enabler’s’ recognising that these were to better equip the National Council to meet the Federations needs. Progress against the 2022-23 Business Plan objectives is reported in the section reporting on a ‘Review of Achievements’.





# Review of achievements

Whilst 2021-22 was concerned with emergence post pandemic, 2022-23 has represented a year where services have returned to a post pandemic normal but with some change and with some new challenge.

For YMCA England and Wales, we are pleased to report that the year has provided for much stability, specifically within our shops and fundraising activity generating much needed funding for the work that we do with beneficiaries. With the Federation Strategy providing a collective direction, it has also provided the opportunity to reconsider and reshape where needed as we seek to 'join up the dots', building a collaborative platform from which to deliver future aspirations. However, as noted 2022-23 has not all been 'plain sailing', and YMCAs have not been immune from the cost of living, rising energy costs, and increased interest rates – alongside the very real challenges of recruitment and retention, and increased wage inflation.

These have all equally impacted on YMCA England and Wales and specifically in our shops when in September 2022 we were out of contract for energy supplies, and like many were faced with a significant escalation in cost but also for our staff facing rising household costs and reduced real terms income (with the decision taken to bring forward wage increases to assist manage). The above all noted, however, 2022-23 represents another year of strong overall financial performance, with continued investment in the work of YMCA England and Wales to meet the Federations identified needs (Y-Hub, impact measurement, dedicated strategy resourcing, intervention and support), increasing distributions to YMCAs with further collaborative partnerships and whilst managing our own viability and on-going obligations.

## 2022-23 Business Plan Performance (External)

An assessment against the 2022-23 Business Plan priorities external in focus is set out below:

### International, Democracy and Engagement:

- ▶ Engagement and representation of YMCAs in England and Wales in the World Council in July 2022: with 85 delegates attending the World Council with a number of delegates attending online.
- ▶ Represent YMCAs in England and Wales at the European Assembly to promote the voice of YMCAs, young people and communities on a European level: 8 delegates attended the European Assembly from across YMCA England & Wales.
- ▶ Recruit new change agents that represent the interests of beneficiaries through the work of YMCA and which can bring about further change on an international platform: Change agent programme launched with 3 change agents recruited from YMCA England and Wales

Impact Measurement: Following conclusion of the accommodation impact measurement tool to launch activity in relation to training and education, health and wellbeing and family work so that the work of YMCA for beneficiaries is recognised universally: Work now progressing on the third dashboard around Family and Youth Work.

### Policy, Research, Campaigns & Advocacy:

- ▶ Undertake and produce three research reports covering the key areas identified by the YMCA Federation and which are considered to be key areas to address in relation to the needs of young people and communities: Early Years research ongoing with focus groups and interviews being held across two YMCAs with focus groups planned with a further six. Annual Youth Services spending cuts report delivered in February 23.
- ▶ Refocus the advocacy strategy to focus on the key areas in which the voice of YMCA can make a difference to enable better outcomes in the interests of beneficiaries: Federation consultation work concluded, and key issues identified and in the process of being implemented.
- ▶ Undertake campaigns on the back of research reports to bring about change that will contribute to a fairer and more just society: A number of campaigns were launched in the year including those on youth spending, early years and the impact of the cost of living.

### Press, Brand & Communications:

- ▶ Implementation of the outcomes of the work on an internal communication plan, and on how YMCA England & Wales facilitates sharing across the YMCA Federation: Y Hub agreed at the November National Board and delivered at the July 2023 National Conference.
- ▶ Implementation of the outcome of the purpose work to better articulate the 'why' of the YMCA in England and Wales: Outcome of the Purpose work and the assets to support this have been produced and distributed across the Federation with wider roll-out and support.
- ▶ Undertake an asset update of the national brand and further roll this out to YMCAs in England and Wales: Brand review has been completed - all assets and templates to support this have been produced and uploaded to the Brand Centre for use by the Federation. Update of national brand guidelines complete and placed on the Brand Centre.

### Uphold Membership Standards:

- ▶ Work with the Quality Assurance Development Group (QADG) in relation to the membership agreement and recent re-launch of the healthcheck to ensure greater levels of returns and to provide YMCAs with meaningful analysis that will inform governance and effective financial management, supporting beneficiaries to receive high-quality services and enables risks to be managed: 92% of returns received with comparative information shared to inform strategic conversations. CHAS replaced with the Trusted Charity health and safety element of the standard, agreed at the AGM.
- ▶ Continue to facilitate completion of the Trusted Charity Status with YMCAs in England and Wales to enable the highest levels of governance and the provision of 'best in class' services for beneficiaries: Completion required by December 2023 and work on-going in relation to compliance with support and guidance available. Returns from the Health Check provide a level of status across the federation.

### Financial Sustainability:

- ▶ Extend our reach to beneficiaries and local communities by facilitating engagement, collaboration and partnership opportunities. In anticipation of the Federation Strategy this will focus on current projects / services that have been supported in recent years: Sidley Corporate partnership continues to go from strength to strength, building support and relationships from across their business. Application submitted to the Youth Endowment Fund to deliver a volunteer mentoring programme aimed at diverting young people from the criminal justice system with the potential to develop partnerships with ten YMCAs. Work on-going to explore collaborative bids alongside partnership to consider a legacy will writing pilot. Retail continues to open new shops and develop new partnerships with local YMCAs.

- ▶ Continue to support YMCAs in relation to work with regard to business models and on-going viability (which will be linked to readiness work identified in the Federation Strategy): Work on-going although the healthcheck information is informing. Sessions held with YMCAs in England and Wales, and separately in Wales to identify key issues with regard to risk and viability with the aim of informing a plan of collective actions.
- ▶ Seek to continue to manage the risk of the pension liability in the interests of the YMCA Federation, including identifying next steps in relation to end game and preparatory work for a 2023 triennial: Pension funding position improved further with deficit reduced. Discussions now underway in relation to 'end game' in the context of the 2023 triennial.
- ▶ Reissue the YMCA Group insurance arrangement to redesign a solution that provides for better value: on-going discussions with Marsh, Zurich and others with the aim of exploring a more cost-effective solution. Marsh and Zurich agreed to cover 23--24 renewals with options appraisal for future collective insurance approach to begin in 2023.

#### Faith

To develop an action plan to support the YMCA Federation's resources, thinking and strategy to hold its identity and apply that into a post-modern 21st century Christian culture: Ethos Steering Group set up to as one of the Federation Strategy action plan priorities.

#### Heritage

To further plan to preserve, explore and capitalise on the heritage of the YMCA in the context of our work, including aligning activity with the forthcoming Platinum Jubilee: YMCA Jubilee activities across the federation were successful with YMCAs supported with communication and social media plans along with information in relation to the rich heritage of our Patron Queen Elizabeth. The Archive group has also been reinvigorated with a new Chair and developed a three year plan.

#### Intervention and Support

To continue on an ad hoc basis to intervene and support YMCAs whilst also clarifying the role in this area and the resources / structures needed: Ongoing intervention and support within areas of finance,

public relations, sustainability, HR and governance. Data from the health-check is providing better information to target areas of concern and action needed.

#### Equality, Diversity and Inclusion

To continue to support the Steering Group in relation the EDI action plan including the facilitation of safe space conversations across the Federation, the work on the EDI charter at the 2022 AGM and exploring and EDI standard: Pilot of EDI standard completed in three out of four pilot YMCAs.

#### Assurance, Risk and Compliance

Work with the Federation safeguarding group to promulgate tools and practice across the YMCA to ensure standards that enable all beneficiaries to feel safe: Safeguarding Group continues to meet. Facilitated sharing of My Concern software providing a discounted price to YMCAs interested in using the tool.

#### Strategy and Growth:

- ▶ Disseminate and communicate outcomes from the Federation strategy to key audiences to promote the highest levels of engagement at all levels within YMCAs across England and Wales: Federation Strategy Delivery Group now meeting regularly to develop implementation framework (detailed plan) and activation guide (how YMCAs can / will be engaged). Priorities have now been signed off and working groups set up ensuring connections to current relevant networks and forums, identify priorities to take forward.
- ▶ Help to facilitate any 'readiness' activity with the Federation in order to further the outcomes from the Federation Strategy: Mapping work considered existing activities and groups. Financial readiness sessions (viability and risk) held with YMCA CEOs. Action plan incorporated into the Federation Strategy implementation framework priorities with four key areas for further work identified. Further business models review to be commissioned in 2023-24 to identify strategic direction.



# 2022-23 Business Plan Performance (Internal Enablers)

An assessment against the 2022-23 Business Plan priorities that are internal in focus is set out below.



## Fit-for-purpose infrastructure

- ▶ To test the culture of YMCA England & Wales against the ethos statement: ethos statement, values and behaviours framework agreed at November 2022 meeting. A plan on how to embed and evaluate the Board approved Ethos statement is underway.
- ▶ Equal opportunities are embedded in the Paris basis, therefore as an employer passionate about equality, diversity and inclusion, where appropriate we will implement the outcomes from the Federation wide work in this area to ensure that this removes barriers to achieving this: Mandatory EDI training to be rolled out in September 23, both virtual and face to face. EDI Strategy to be revisited for actions.
- ▶ Implement the outcomes from the pay and performance review frameworks as agreed by the National Board: Pay median project completed. We will be reviewing out pay framework in 2023-24 against issues raised during the median exercise including areas such as pay progression.
- ▶ Develop a YMCA England and Wales strategy that aligns with the new Federation Strategy: Agreed by the Board at their November 2022 meeting with 23-24 objectives identified to progress.
- ▶ Ensure that the YMCA England & Wales Information Technology infrastructure supports the implementation of the internal communications review: Review completed, with findings providing the basis for an implementation alongside actions from the recent ransomware attack investigation.
- ▶ Conclude governance activity in relation to standards in the membership agreement: including specifically Trusted Charit and Health and Safety standards: Work started and progressing into 2023 with the aim of concluding work by the summer. Other reviews completed including safeguarding and data, with findings being implemented.
- ▶ Implementation of the Board development programme to include increasing diversity of Trustees: Implemented proposals to increase diversity of the Board with success during the Board recruitment process. Work is on-going in relation to the Code of Governance (and specifically on EDI).
- ▶ Implement the outcomes of the Wellbeing strategy for staff and volunteers including continuous learning through agile working and other benefits to further cultivate a great place to work: Hybrid working implemented. Office redesign considered with some limited changes proposed. Chaplains visiting the office to offer welfare and support. Looking at financial well-being due to cost of living with pay award brought forward in Retail for shop staff that were most affected.
- ▶ Consider the outcomes of the internal communication review and look to develop an implementation plan: Y Hub launched at the National Conference in 2023.
- ▶ Develop a set of ‘corporate’ KPIs that can be used both for internal reporting but also to the Federation to provide an assessment of value for money and impact (building on those currently available but also wider to incorporate aspects of social responsibility): Initial set of KPIs proposed to Finance and Audit Committee with further subsequent revision. Work on-going to collect KPI information from all sources and to identify audience needs to develop a streamlined, single, consistent set of measures.

## Secure financial future:

- ▶ To implement the first year of retail strategy to increase further income and build future capacity to generate returns: Retail continues to perform well despite the economic challenges and delivered on budget for 2022-23.
- ▶ To identify alternative fundraising opportunities to generate unrestricted funds and develop proposals: Continued to explore and develop income generation opportunities including working on several proposals for consideration i.e., legacy strategy, lottery/ raffle, sash donor acquisition.
- ▶ To ensure a financially secure national body to deliver the agreed budget by the National Board: Reserves sufficient to meet pension obligations. Increased costs of staffing and energy, and reduced investment portfolio managed.
- ▶ To maintain the level of funds in investments to meet the pension: Level of funds retained.
- ▶ Implement a new accounting system, including improved management reporting, financial manual and scheme of delegation to bring about change in financial management practice: Accounting system implemented. Some teething problems in relation to workflow and invoice approval. Further reforms planned in 2023-24.

## 2023-24 Performance to date

The Board agreed a break-even budget for 2023-24 (before pension costs and investment returns). The challenging cost environment was furthered by the need for the National Council to respond to emerging priorities in the Federation Strategy – specifically the continued funding for Y-Hub, on-going resourcing in support of the strategy and funded reviews to help identify how best to facilitate growth and viability.

The 2023-24 budget also includes further investment in fundraising, specifically in relation to Room-sponsor and individual pilot projects to explore opportunities for growth in income. The above pressures have placed some stress on the funding model, but with Retail continuing to deliver improving returns and grow the number of shops, affiliation fee defaults falling and steady fundraising performance – and with the hope that investment markets will not be as volatile as seen in 2022-23 - there is no reason to believe that the stated aim of a breakeven budget will not be met (and indeed exceeded to reduce the cash impact of the pension). Early signs at the start of the year reinforce this perspective. That noted, an early set back was a April 2023 ransomware attack with a request for payment.

In line with the Board’s direction this was not entertained but rather actions taken to not only resolve the situation (with some limited operational impact) but also to ‘quicken the pace’ of a number of already identified reforms to avoid future occurrence. This work continues into 2023-24.

# Risk management and internal controls

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

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

The systems of internal control are designed to provide assurance against material misstatement or loss. These include:

- ▶ An overarching strategy that links to the needs of our membership
- ▶ A clarity over the role undertaken, and the resources available to ensure 'expectations are managed'

- ▶ A Business Plan and budget approved by the Board following a thorough business planning process that allocates resources to priorities (and in line with strategy)
- ▶ Ensuring that the Board, Committees and Senior Leadership Team are appraised of financial results, variances from budgets and non-financial performance indicators
- ▶ A Committee structure with appropriate skills mix to be able to inform and challenge
- ▶ Effective management information systems, which continue to develop with the provision of monthly management accounts to a range of audiences
- ▶ Delegation of authority and appropriate segregation of duties ensuring controls on expenditures (noting that the scheme of delegation has been undergoing update in 2022-23)
- ▶ Appropriate financial policies, processes and systems as detailed in a Finance Manual (again noting that the Manual has been undergoing update in 2022-23)
- ▶ Identification and management of financial and other risks by the Board and Senior Leadership Team including frequent review of the Risk Register by the Board and Finance and Audit Committee
- ▶ Processes to ensure that conflicts of interest are identified and recorded (and identified in advance of meetings)
- ▶ Regular checks and review through internal, joined up budget/outturn conversations
- ▶ Updates from investment managers and provision of information to Committees
- ▶ Accountability to members through an Annual General Meeting.

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

*The Finance and Audit Committee has reviewed the reports from the senior management, audit and other reports on areas of operation. The Committee confirm that the above systems have been applied and are confident that systems of internal control and risk management are working effectively (noting that there is always scope for improvement).*

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

Approved actions are implemented by senior managers who are accountable to the Board.



A number of risks have been managed in 2022-23 specifically those in relation to Covid and energy costs. The below summaries the key risks at May 2023.

| Risk   | Latest Action  |
|--|--|
| 1   Loss of key IT system, loss of data, legacy systems unsupported  | IT review completed with many actions implemented. Work on reviewing the Business Continuity Plan has allowed processes to be put in place regarding loss of servers, key IT suppliers and access to systems. Further migration to the cloud and office 365 environment will further significantly reduce risk with an on-going action plan. |
| 2   Cyber Security (Ransomware attack)   | Action plan developed with many actions implemented (including 365, standardised use of share-point, improved firewalls, back-up arrangements, outsourced support, training and development and other securities to manage access).  |
| 3   Loss of key staff across the Federation  | CEO development programme concluded in December 22 (with proposed repeat for 2023). YMCA risk and viability sessions indicated staff retention and recruitment is a high-risk area.  |
| 4   Specific member YMCA sustainability and viability risk   | Perception is that 2022-23 has proven a challenging year for many YMCAs and that 2023-24 is similar. Risk and viability sessions identified challenges and options for further work. A review is proposed to identify the high-level picture. Analysis of health check returns shared and 2023 version issued to YMCAs for completion.       |
| 5   Interest rates increase leads to inability of YMCAs to make repayments on loans and borrowing, with impact on individual YMCA viability. | Viability and risk sessions held in late 2022 with a menu of actions identified. Feedback from sessions shared with individual YMCA Chairs and Trustees. Terms of reference have been drafted for a risk and viability review to be commissioned from external consultancy.  |
| 6   Reputational impact for YMCA Federation due to issue within a YMCA   | Continue to work with YMCAs to manage reputational risk.   |
| 7   Impact of inflation and rising energy prices with consequent viability and risk challenges for all YMCAs                                 | Work underway to identify challenges with sessions on risk held with YMCAs. Analysis shared and further work on actions planned. Increased energy price and cost of living still impacting, noting inflation is due to reduce as the year progresses.  |
| 8   Rising energy prices long term impact retail strategy and current business model   | Assessment on impact in cost on retail completed with an initial £1 million annual increase assumed in late 2022-23. Reduced impact in 2023-24 given falling prices.   |

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

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



# Fundraising

## Approach to fundraising activity

Our fundraising activity falls under two broad headings:

### Individual Giving

- ▶ Our Acquisition activity seeks to recruit donors to make a cash gift or to commit to a programme of regular giving. We recruit donors through online marketing via social media and digital adverts, through offline marketing by the insertion of recruitment flyers in magazines and newspapers, through Cold Direct Marketing using purchased, fully GDPR compliant mailing lists, through Telephone Marketing using the services of a professional telemarketing agency, and through Private Sites face-to-face fundraising – using the services of a professional fundraising agency.
- ▶ Our Appeals programme is focussed on individuals who have previously made charitable gifts to YMCA England and Wales and is delivered via direct mail and email. In addition, the services of a professional telephone marketing agency may be used to ask donors to reinstate lapsed regular giving or to increase the value of their regular gifts.
- ▶ Our Legacy programme seeks to encourage already engaged donors to consider leaving a gift in their Will. Our partnership with National Free Wills Network has also enabled us to engage with a cold audience via social media.

### Strategic Partnerships

- ▶ High Net Worth individuals are approached on a personal basis to encourage their continued support, by post, telephone and email.
- ▶ Approaches to and relationships with Charitable Trusts are conducted via post, email and telephone.
- ▶ Approaches to and relationships with corporate donors and prospective-donors are conducted via email and telephone.
- ▶ Participants in challenge events, such as the London Marathon, are recruited via focused social media advertising.

## Compliance with Fundraising and Data Protection standards

In all our fundraising, we adhere fully to the Fundraising Code of Practice, in respect of both the legal rules that apply to fundraising and the standards designed to ensure that fundraising is open, honest and respectful.

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

Our full compliance with GDPR legislation ensures the protection of personal details and the privacy of our fundraising audience. Our capturing, management and application of communication consents is robust and subject to strict vigilance.

Neither YMCA England & Wales nor any person acting on behalf of YMCA England & Wales was subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the charity.

## Monitoring of fundraising activities

Telephone marketing and private sites face-to-face fundraising was delivered by professional agencies on behalf of YMCA England & Wales for the purpose of fundraising. The audience for telephone marketing was individuals who have an existing financial relationship with YMCA England & Wales, who had provided their telephone number and have consented to being contacted by telephone for fundraising purposes. The audience for face-to-face fundraising was members of the public within the private sites (railway stations and supermarkets) that had been secured by the fundraising agency. All the agency staff involved in these activities received training directly from YMCA on our brand and our compliance policies.

This is in addition to the training that our partnering professional fundraising agencies provides on data protection, compliance and maintaining call quality. We listened to randomly selected calls (approximately 5% of all calls) to ensure the highest of standards, and that we are complying with all relevant regulations and legislation. We also regularly undertake supplier tenders to ensure value for money.



## Protecting vulnerable people

The agencies who acted as our agent each have a comprehensive policy in respect of Safeguarding Vulnerable People, which is taken seriously and owned at all levels within their organisation. All their employees are required to undergo vulnerable persons training upon joining the organisation, utilising an adapted version of the 'Caring for the Vulnerable' training as compiled by the Direct Marketing Association, and the 'Treating Donors Fairly' training as compiled by the Institute of Fundraising. All employees must agree to abide by this Policy.

In compliance with Institute of Fundraising guidance on protecting supporters, YMCA England and Wales will:

- ▶ Never pressure someone into making a donation.
- ▶ Be alert to signs that someone may be confused or vulnerable and need additional support.
- ▶ Take care not to take advantage of mistakes by donors or to exploit their lack of knowledge or need for care.
- ▶ Not accept a donation from an individual if we believe he/she lacks the capacity to make the decision to donate.

We actively look for indicators that a donor might be vulnerable, such as:

- ▶ Making repeated telephone calls to make a donation or check a donation
- ▶ Sending weekly donations in post
- ▶ Mention of low income or relying on benefits
- ▶ Communication covering unrelated topics e.g. aliens, blue moon, death, self-harming
- ▶ Communication indicating that a person is deeply affected by a mailing sent e.g. legacy mailing triggering deep concerns about death.
- ▶ People who inform they have health issue e.g. Dementia, Alzheimer's, mental health issues, and cancer.

Each individual is dealt with, respectfully, on a case by case basis and we are careful when recording sensitive information. For example, if a person informs us they have Dementia in its early stages but is still capable of making rational decisions/ donations, we will continue to send mailings but will log on their record that they need Special Consideration and take note that the supporter has dementia. If we start to see a different behaviour pattern, we will upgrade our action and consider reducing mailings or remove the supporter from our mailing lists.

## Complaints

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

- ▶ Three complaints related to supporters having experienced technical difficulties: One had changed her bank and had had trouble transferring her Direct Debit to her new account. She was 'disappointed' and will in future send her donations by cheque. One was 'disgruntled' when having become confused while trying to increase his regular donation, had accidentally set up a second direct debit. He was offered but refused a refund and has been supported to make the changes he intended to make. One had in error set up a repeat card payment when they had intended to make a one-off gift. She complained that despite having twice informed us not to, we had continued to take repeat card payments from her account. She received an apology, confirmation that her card instruction had been cancelled and her donations were refunded to her card.

- ▶ Four complaints related to the receipt of printed materials: One was 'angry' that YMCA 'wasted money' by sending Christmas and Easter cards. Her record has been updated and she will not receive cards in the future. One had cancelled her regular gift, saying that she had continued to receive 'marketing material' although she had repeatedly asked for it to be stopped. An apology and an acknowledgement of the value of her support was sent. One complained of receiving duplicate mailings despite having previously informed us of this. An apology was offered, and her record amended of an error that was causing the duplication. One objected to receiving surveys, finding the questions 'intrusive and none of your business'. An attribute has been created to exclude constituents from receiving surveys.
- ▶ One complaint related to a local YMCA terminating the use of its facilities by a skating club, asking to be removed from our mailing list. This was done.
- ▶ Two complaints related to appeal prompt levels. One stating that she felt her generosity was not acknowledged or appreciated. A letter of apology, explanation and thanks was sent. The second that the prompt level was too high and the bold typeface too aggressive. The prompting process was explained to him, and he accepted an offer to opt out of being prompted for a specific amount.
- ▶ One complaint was that YMCA sent a message of condolence to a bereaved family only on notification of a legacy although the deceased's family had notified us of their death. A personal apology was sent - the original email had been missed.
- ▶ One complainant could not get through on the telephone to make a donation because the lines were too busy. He received an apology and the offer of a call.
- ▶ Three complaints related to private sites face-to-face fundraising. One complainant felt they had been 'forced' into signing a direct debit. One wanted to cancel their direct debit, stating that they had been told they would need to confirm their direct debit arrangements but had been 'lied to'. One stated that they had been made to feel bad about not signing up. In each case, we have offered a full apology, thanked the individuals for their feedback and passed the complaint on to the Agency responsible for the activity so that it can be addressed directly with the individual fundraisers concerned.





# Trustees Report

## Financial Review

### Format of accounts

As a Registered Social Landlord, YMCA England and Wales is governed by the regulations of the Statement of Recommended Practice issued by the National Federation of Housing Associations (the Housing SORP) and the Accounting Direction for Private Registered Providers of Social Housing from January 2019 (the Accounting Direction). The holding of this status is currently being considered by the Board of Trustees, recognising that housing stock has now been sold but that it may be necessary to take steps to preserve this status in the light of national funding contract opportunities, and in the interests of our member YMCAs.

The Board of Trustees follow the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) (effective 1 January 2015) issued by the Charity Commission (the Charities SORP), so long as it does not conflict with the Housing SORP. As a company limited by guarantee, we follow the Companies Act 2006 and applicable accounting standards. To meet the terms of this Act, we have prepared a separate income and expenditure account. To comply with the Housing SORP and the Accounting Requirements of Private Registered Providers of Social Housing, the accounts would have been configured to separate the performance of housing and non-housing activities and will do so when decisions are taken on how best to retain registered provider status.

## Consolidation

In these accounts we have brought together the results of YMCA England & Wales with:

### 1. Our three connected subsidiary charities

- ▶ Dunford House Trust: which previously owned Dunford House but with the proceeds held as a restricted fund subject to a covenant.
- ▶ Douglas Wood Charity: which provides funding for agricultural and horticultural training activities.
- ▶ The YMCA Trust Fund (known as The Movement Trust Fund): which provides grants and loans to YMCAs.

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

To prevent a tax charge arising in the charity, the subsidiary trading company gift aid its surplus. The performance of YMCA Retail Limited was satisfactory, given the current operating environment.

### 3. Restricted funds under the control of YMCA England & Wales

Over the passage of time several trusts and funds have come under the stewardship of YMCA England and Wales. Usually these were for buildings or trusts with specific objectives.

There are three groups of trusts that we look after:

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

## Funds and reserves

Total reserves at 31 March 2023 were £8.4m (2022: £7.9m), with the increase arising from:

- ▶ An operating surplus of £1.0m (2022: operating surplus (£0.5m))
- ▶ Losses on market value of investments of £0.3m (2022: gains of £1.1m)
- ▶ An increase in pension scheme future commitments of £0.19m (2022: a decrease of £0.24m)

Of these, the restricted funds of £1.62m (2022: £1.85m) are held for specific purposes and can only be used for these purposes. The remaining reserves of £6.8m (2022: £6.1m) are known as “unrestricted” funds.

## Unrestricted funds

The 2023 accounts show net income on unrestricted funds of £1.3m (2022: net income of £0.52m), before the adjustments for revaluation of investments and pension scheme deficit obligations.

## Free Reserves

These are funds that the Board is free to use to support our charitable work, available at short notice and are known as the “free reserves”.

The Board aim to hold sufficient free reserves to provide financial stability when considering the key areas of risk. The Free Reserves at March 2023 were £5.3m (2022: £4.5m) against the target level of £3.4m (see note 15 for a breakdown of free reserves). The increase arises from the three factors noted above. The Board have agreed that they are comfortable with the increased level of Reserves based on a revised financial assessment of risks and given an organisation that has increased in size (turnover increasing from £15m to £22m over the term). In this light, and given other risks, it was considered appropriate that the level of reserves is increased also reflecting a quantified assessment of risk. This would suggest a Reserves level between £4m and £6m which would seem appropriate given the uncertain world environment at this time but also equates to three months of expenditure or six

months of payroll.

The Trustees are therefore comfortable that the Reserves position is appropriate – also recognising that much of the Reserve position is tied up in investments which can increase/decrease with market conditions) but also recognising the still significant pension liability which may change in the future depending on the outcome of next triennial valuation.

## Restricted funds

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

- ▶ Dunford House, which has its own Trust – Dunford House has now been sold with balances retained for the purposes of the original covenant;
- ▶ YMCA England & Wales activities – monies given to us to support specific activities either at local YMCAs or within YMCA England & Wales;
- ▶ The Movement Trust Fund, the Hartwoodside Award and the Douglas Wood Charity – these funds provide grants and loans for YMCA work; and
- ▶ Other Trust and Association Funds – these are funds we hold on behalf of YMCAs that have closed or when we hold assets on behalf of a specific Trust (not already listed above).

## Movement in restricted funds during the year

Restricted funds have decreased as restricted funds are spent in line with their charitable purpose.

## Going concern

In line with current best practice, the Board has reviewed the financial impact of those risks identified as part of our on-going risk management process and its going concern status. As part of this review, and aligned to the business planning process for 2023-24 which looks at the forward five years, the following have been considered:

- ▶ Alignment to strategic direction
- ▶ Forecasts and cash-flows for future years’ income and expenditure
- ▶ Future needs, opportunities, contingencies and/or risks
- ▶ A ten year financial strategy that considers alternative scenarios

As noted in the financial statements the performance for the year has improved on that in prior years, and whilst this is in part due to one-offs in the form of investments and pensions, it is also due to both improved income from our retail shops and fundraising but also cost control with reductions made in several areas. It also includes the release of £1.1m Retail grants which is a one-off item which offsets the decrease in investments and pension reserves and has led to the Reserve position remaining stable at £13m.

Once again, a balanced budget pre-pension and investments has been set for the forthcoming year, with the first quarter results showing income generating activities holding up across all areas (with some challenges on legacies given the Probate Office backlog but with Retail performing well). Investment values remain volatile (but less so than in 2022-23) due to international circumstances. The Board remain of the view that YMCA England and Wales has sufficient assets to enable future obligations to be met, and therefore continues to operate as a going concern. Further details in relation to the income and expenditure of YMCA for the year are set out in detail in the Statement of Financial Activities (SoFA) on page 56.

## Review of 2022-23 Financial Performance

The annual accounts report a £0.52m surplus for 2022-23 (£1.9m surplus in 2021-22). These figures include investment movements and changes to the pension liability which in 2022-23 represented losses of (£0.52m) compared to a £1.3m gain in the prior year. Excluding these items, and the movement on restricted funds, the operational performance was a surplus of £1.3m (2022: £0.52m). This increase on prior year arises from improved operational performance (and specifically cost control) but also the release of Retail grants. This improved operational performance has been managed despite higher energy costs and implementation of the minimum wage increase six months early, but also significantly includes distributions to member YMCAs of £1.9m (2022: £1.65m) – with profit share also applied to the release of grants.

Unrestricted fundraising has performed well (particularly legacies) and has reported a net return of £1.8m (2022: £1.4m). The charity shops have performed well given the difficult trading environment and specifically the impact of a higher cost base, generating a surplus of £1.1m (before Retail grants) which is shared with member YMCAs (2021: surplus £1.4m). We remain very grateful for the commitment, hard work and contribution of all our staff and volunteers.

## Income

Total income was £21.7m (2022: £17.6m). The increase arises from fundraising donations (including Roomsponsor, the net income of which is distributed to Roomsponsor Partnership member YMCAs) and sales at the charity shops (which generates profit shares with member YMCAs). Affiliation fees remained at £1m before contributions to World Alliance and YMCA Europe on behalf of all YMCAs.

## Expenditure

Total expenditure increased to £20.7m (2022: £17.1m). This increase largely arising from the Retail operations of £13.6m (2022: £10.9m). Fundraising activity and support, representation and development spend for member YMCAs accounted for the majority of the remaining expenditure. As noted above, the expenditure figures include payments to member YMCAs of £1.9m (2022: £1.65m) in relation to either projects, retail profit share or Roomsponsor. If added back, as funds are remaining within the movement, albeit outside of YMCA England & Wales, this would have increased the operating surplus to £2.93m (2022: £2.15m).

## Looking ahead

YMCA England and Wales continues to retain sufficient Reserves to enable current, future and potential challenges to be overcome. We are confident that these solid financial foundations will enable YMCA England and Wales to continue to generate sufficient income to subsidise the work undertaken for members and continue to align capacity to deliver against the Federation strategy, increasing distributions to YMCAs but also remain on solid financial foundations. That noted, recognising that much of the financial success has been due to one-offs, YMCA England and Wales does not remain complacent in the need to both manage cost and risk and to ensure that it has sufficient Reserves to meet obligations but also manage unforeseen events.

## Investment policy and performance

Net funds released from the sale of the housing schemes have all been invested with investment managers. Markets continue to be volatile and report losses of (£0.3m) in 2022-23 (2022: increase £1.1m). The investments are more than sufficient to meet the pension liability in the balance sheet and provide the Board and Pension Trustees with reassurance that as the holder of the largest share of the liability in the YMCA Pension Plan, we remain equipped to meet obligations.

## Value for money

YMCA England and Wales has limited resources and it is important that we derive the maximum benefit from these. In this respect we are conscious of the principles of economy, efficiency and effectiveness and strive to ensure that these underpin the decisions that we make when using resources to maximise impact for our beneficiaries. We continue to ensure that procurement decisions follow good practice and that we frequently compare market price to ensure that we are securing best value. The full annual Value for Money statement which is available on our website [www.ymca.org.uk/value-for-money-2023](http://www.ymca.org.uk/value-for-money-2023).

## Grant making policy

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

- ▶ The YMCA Trust fund provides grants to YMCAs in England or Wales to start new projects. This was fully utilised to provide the emergency Covid relief during previous years.
- ▶ The Hartwoodside Award gives grants to YMCAs to help disabled staff or volunteers to take part in activities such as training courses or conferences.
- ▶ The Douglas Wood Charity gives grants to young people to train in agriculture, horticulture, farming, environmental protection or other similar activities.

## Our Approach to Value for Money

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

- ▶ **Governance** – to develop a Board led value for money culture within YMCA England and Wales with all staff encouraged to accept ownership and accountability
- ▶ **Beneficiary focus** – to ensure that the services we provide are shaped around the needs of our members (and as articulated following review)
- ▶ **Performance** – to ensure that staff understand their objectives and the right things are measured
- ▶ **Financial stewardship** – understanding our cost base and sources of income and to report performance against these budgets. To optimise the use of assets, through effective financial management and decision making but also ensuring that good financial rules are followed.
- ▶ **Procurement** – buying goods at the optimum price/quality mix (and ensuring periodic review to ensure that price remains competitive).

The above measures relate to the direct work within the remit / control of YMCA England and Wales. Whilst some opportunities for shared services, and reduced cost / improved quality, have been implemented, for example in relation to insurance, group life, VAT advice, payroll and human resources there remains scope to further maximise value for money across the Federation. It is hoped that further progress can be made on collaborative opportunities moving forward as set out in the Federation Strategy.

## Overall Measures

### Measures for return from our staff

The following measures relate to the performance of staff:

|  | 2023     | 2022    | 2021     |
|--|----------|---------|----------|
| <b>Human capital cost (total staff cost per FTE)</b> |          |         |          |
|  | £28,269  | £26,380 | £26,970  |
| <b>Gross revenue per employee:</b>                   |          |         |          |
| ▶ Retail   | £50,780  | £49,190 | £37,070  |
| ▶ Non-Retail   | £104,910 | £95,240 | £101,440 |
| <b>Staff turnover</b>                                |          |         |          |
|  | 49%      | 52%     | 28%      |
| ▶ Retail   | 59%      | 60%     | 31%      |
| ▶ Non-Retail   | 16%      | 26%     | 12%      |

The increase in total staff costs per FTE reflects the difficult recruitment market and increased wage costs. During the year, YMCA England and Wales undertook a market review exercise to ensure staff are on at least the median salary for their role when compared to the sector. Within shops the annual living wage increase was implemented six months early to retain staff and to recognise the impact of increased energy costs. Staff turnover remains a challenge, in particular in retail although much work has been done to improve this area including work in relation to staff terms, welfare and environment. It is worth noting that in 2021 turnover fell significantly due to the uncertainty of the pandemic.

### Measures for use of assets

The following measures relate to the use of assets:

|  | 2023   | 2022   | 2021    |
|--|--------|--------|---------|
| <b>Operational surplus as % of turnover (excluding sale of assets)</b> | 4.80%  | 3.02%  | (1.92)% |
| <b>Staff costs as % of total expenditure</b>                           | 47%    | 48%    | 49%     |
| <b>Expenditure as % of budgeted costs</b>                              | 97%    | 101%   | 81%     |
| <b>Unrestricted bank and investment balances</b>                       | £13.1m | £14.7m | £13.1m  |

The improving performance has arisen from the operating surplus. Unrestricted bank and investment balances have fallen due to falls in market value and payment of pension obligations.

### Measures for return from our Retail and Fundraising operations

The following measures relate to performance of our retail and fundraising activities, which make up a significant proportion of the activity of YMCA England & Wales:

|  | 2023   | 2022   | 2021   |
|--|--------|--------|--------|
| <b>RETAIL OPERATIONS</b>                   |        |        |        |
| <b>Average number of shops</b>             | 107    | 94     | 91     |
| <b>Average weekly income</b>               | £2,657 | £2,556 | £2,487 |
| <b>Average number of staff</b>             | 362    | 316    | 275    |
| <b>Full-time equivalent</b>                | 290    | 254    | 215    |
| <b>FUNDRAISING OPERATIONS</b>              |        |        |        |
| <b>Gift Aid penetration in fundraising</b> | 66%    | 66%    | 69%    |
| <b>Return on Investment in fundraising</b> | 2.35x  | 2.24x  | 2.47x  |

### Retail operations

There has been a deliberate strategy of taking on good retail units as these become available. The average weekly income for 2021 is based on 20 weeks, when all shops were open but as shown reported a significant increase which has continued into 2022 and 2023. The increased staff numbers arise from the additional shops but also filling vacancies with permanent staff rather than with overtime.

### Fundraising

Fundraising has performed well, in particular legacy income which met its annual target (previous years affected by delays at the Probate Office).

### Measures for our housing operations

YMCA England and Wales sold its last housing scheme during the year ended March 2020 so no longer has any housing stock. We are however discussing with the Regulator for Social Housing how we ensure that we retain the necessary Registered Provider status to access any national opportunities, which will require holding (or intent to hold) social housing stock.

# Corporate Governance Statement

## Structure, governance and staff

### YMCA England & Wales

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

### A worldwide movement of YMCAs

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

## Governance

The Board guides YMCA England and Wales in its work and development. It provides strategic direction and challenge to the Senior Leadership Team which is responsible for decisions on operational issues. The Board comprises no more than 12 Trustees elected by members and 3 co-options i.e. not more than 15 in total. Trustees serve for a three-year term and may be re-elected for two further three-year terms. Once a Trustee has served nine consecutive years, they must wait one year before they can stand for re-election. We hold elections to fill vacancies annually as necessary. Applications for Board membership are invited from across the YMCA movement and by external advertisement and are considered by the Nominations Committee based on relevant skills, competencies and experience.

YMCA England and Wales continually seeks to improve and strengthen its governance duties to ensure these are fit for purpose. YMCA England and Wales has adopted the Charity Governance Code and as with other YMCAs are working to achieve Trusted Charity status. The Board confirms that YMCA England and Wales fully complies with the Regulator of Social Housing Governance and Financial Viability Standard. During 2022-23, four new Trustee appointments were made to the Board. A full listing can be seen on page 48. YMCA England and Wales has Trustee indemnity insurance.



## Committee structure

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

1. The Finance and Audit Committee which oversees the management and direction of the finances of YMCA England & Wales, monitors the effectiveness of audit and reviews our risk management processes. Key financial decisions are submitted to the Finance and Audit Committee for consideration.
2. The Governance Committee provides advice on the governance of the National Council and on governance issues for the YMCA Federation in England and Wales.

During the year the Board of Trustees also had two Nominations Committees, each to ensure a robust and appropriate process for identifying the new Chair of the Board and, other potential Board Members and Honorary Officers.

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

## Board member's induction and development

Induction training is offered to all Trustees. In addition, each new Board member receives background information on the operations of YMCA England and Wales. Where appropriate, Board members are encouraged to visit the work of YMCAs to develop understanding, including attendance at national and international events.

## Code of Governance

A self-assessment review has been undertaken against the Code of Governance to identify and inform areas for improvement. This has included as assessment of all aspects of the charities governance and will inform future developments. Work continues to achieve Trusted Charity status.

## Organisation structure

The members of staff based in London operate from Charterhouse Square. During the year our operations were organised into divisions, each headed by a Director:

### ► Chief Executive's Office supports the Board and coordinates the activity of YMCA England & Wales.

#### Corporate Resources covering:

- Company Secretary providing support to the Board and member YMCAs on all aspects of charity governance.
- Strategy and business planning both in relation to YMCA England and Wales and the facilitation of the Federation Strategy
- Finance provides internal services to ensure that YMCA England and Wales operates efficiently and meets regulatory requirements but also advice to YMCAs.
- Human Resources is responsible for implementing strategies and policies relating to the management of individuals throughout YMCA England and Wales
- IT supports the infrastructure used by YMCA England and Wales
- Administration supporting the staff of YMCA England and Wales
- Health and safety: reviewing and implementing health and safety aspects reporting to the Board and senior management.
- Movement Services including support, advice and guidance to YMCAs in areas such as business models, HR, finance and governance but also in relation to leading on items such as group insurance and pensions.

### ► Income Generation covering:

- Fundraising raises funds for YMCA England and Wales and the YMCA Federation as well as providing fundraising advice and support to member YMCAs.
- Retail operates the YMCA England & Wales charity shops, raising funds to support the work of YMCA England and Wales and member YMCAs via the profit-sharing arrangement.
- Business Development explores, co-ordinates and manages business and funding opportunities to benefit the Federation.

### ► Policy, Research, Communications and International covering:

- Policy and Research raises the public profile of YMCA through work with national and local government and works to influence key decision makers.
- Communications and Brand manages the YMCA national brand and develops communications for both member YMCAs and YMCA England & Wales. The team manages the YMCA England and Wales website, supports member YMCAs to develop their own websites and manages social media channels for YMCA England & Wales. It also has responsibility for national media and PR and provides advice and support to member YMCAs on media relations and crisis communications.
- International represents the YMCAs in England and Wales at the European and World Alliance of YMCAs.

## Staff and volunteers

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

The average number of staff we employed during 2022-23 was 419 (2021-22 was 371). The increase largely arising from expansion of our retail operations. Note 3.5 gives more detail on employee costs and staff numbers whilst note 3.6 gives details of the expenses reimbursed to trustees and senior staff.

YMCA England and Wales need to employ staff with the right skills for their role. Salaries have, during 2022-23 been benchmarked against the median salaries for roles within the sector. This resulted in a number of staff having their salaries increased where this had been demonstrated to be lower than those available for comparable roles in the commercial or public sectors, and the median for the charity sector. This strategy of moving staff close to the medium of the charity sector has been implemented in the year and in order to ensure we can recruit and retain staff. The Chief Executive earned £127k pa plus pension contributions of £22k for the year (2022: £115k plus pension contributions of £20k). The majority of our staff (over 80% based on headcount) work part-time in the Retail operation where salaries are set based on the minimum wage. We have implemented the National Living Wage (implemented in November 2022 to help with staff challenges with the cost of living) and intend to increase this further as financial results allow. For the remaining staff the average salary is £45,813, giving a remuneration ratio of 2.8 to the Chief Executive (2022: average salary was £40,204 with a remuneration ratio of 2.9).

We owe a huge debt of gratitude to the efforts of our volunteers, whose energy and commitment is vital to our work. All our volunteers (approximately 1,200) are based in our Retail operations, contributing over 25,000 hours per month. Others are involved in fundraising, raising awareness of our work at public events and contributing to our governance on the Board, committees, panels and advisory groups.

## How we engage with our employees

Throughout the year the Board, through the Chief Executive and Leadership Team have ensured an active dialogue with employees to ensure that staff have been equipped with information in relation to day-to-day performance and future plans (as well as financial and operational information that provides context to decision making). This has included frequent written and oral communication, for example staff meetings, team meetings, opportunities for staff to come together to talk about concerns as well as more social opportunities. These have included significant well-being initiatives including our 'Time to Talk' sessions, opportunities to meet with chaplains and wider HR access to counselling and support. These have all helped with the management of staff morale and welfare during the last year – ensuring that staff are valued, feel involved, appraised of the position, and that their views are taken into account when leadership are making decisions.

## Equality, diversity and inclusion

Inclusiveness is fundamental to the ethos of the YMCA Movement. We have a wholehearted commitment to welcome people of other faiths and those of none, linked to a confident identity as a Christian faith-based organisation. This includes ensuring that diversity is reflected strongly within our structures and that the services and activities managed by YMCA England and Wales are designed to provide equal opportunities – with the Board and leadership team undertaking unconscious bias training. A great deal of work has been undertaken to improve equality, diversity and inclusion. This has included the development of a strategy that ensures ownership to the agenda, raises awareness and implements a number of targeted actions. In relation to ethnicity YMCA England and Wales employs 15.3% of employees identifying as BAME. Aligned to our EDI policy we continue to take forward actions in this area to ensure representation from all backgrounds and specifically include a statement on all job adverts concerning and welcoming applications from the individuals of all backgrounds. Alongside this we continue to work on inclusivity including addressing this through our Recruitment Policy and Procedure and reviewing the job boards / wider approaches that we use to recruit.

Salaries are based on the role regardless of the gender of the person performing the duties. YMCA England and Wales operates a staff grading system for all roles, where points are allocated based on the skills and responsibility of each role which determines the salary level for that role. Salary levels for each grade are set by benchmarking against other voluntary sector organisations, as well as using our own system (and reviewed against an external benchmarking tool). As we have more than 250 staff, we are required to give our gender pay analysis in the statutory format, as at 5 April 2023:

| Pay level                   | Male employees | Female employees |
|-----------------------------|----------------|------------------|
| <b>Number of employees</b>  | 136            | 318              |
| <b>Quartile 1 (highest)</b> | 44%            | 56%              |
| <b>Quartile 2</b>           | 35%            | 65%              |
| <b>Quartile 3</b>           | 19%            | 81%              |
| <b>Quartile 4 (lowest)</b>  | 22%            | 78%              |
| <b>Average hourly rate</b>  | £15.04         | £12.79           |
| <b>Median hourly rate</b>   | £10.86         | £10.65           |

As is shown in the table above, two thirds of the staff working for YMCA England & Wales at April 2023 were female. In addition, over 80% of the staff employed by YMCA England & Wales work in Retail (many of whom welcome the ability to work part-time) and consequently means that a more significant percentage of staff fall within the lower quartile bands. As a consequence, the above analysis is distorted and it is more meaningful to separate out the results of Retail staff from non-Retail staff which provides for the following analysis:

| Pay level                   | Retail         |                  | Non-Retail     |                  |
|-----------------------------|----------------|------------------|----------------|------------------|
|                             | Male employees | Female employees | Male employees | Female employees |
| <b>Quartile 1 (highest)</b> | 26%            | 23%              | 18%            | 33%              |
| <b>Quartile 2</b>           | 35%            | 65%              | -              | -                |
| <b>Quartile 3</b>           | 19%            | 81%              | -              | -                |
| <b>Quartile 4 (lowest)</b>  | 22%            | 78%              | -              | -                |
| <b>Average hourly rate</b>  | £12.12         | £11.23           | £32.00         | £24.25           |
| <b>Median hourly rate</b>   | £10.86         | £10.45           | £30.52         | £21.88           |

The above analysis is further explained below.

- ▶ Two thirds of the staff working for YMCA England & Wales are female;
- ▶ In every pay quartile YMCA England & Wales employs more women than men (which is common throughout the voluntary sector). This is partly due to the range of family friendly and flexible working policies available to staff. The pay disparity shown in the table is largely due to the relatively low number of male employees;
- ▶ As at April 2023, there were 4 people on the Senior Leadership Team of which 2 are female and 2 male; and
- ▶ Over 80% of our staff work in the retail operation. Hourly rates for the Retail staff have been increased and the lowest level is above the rates required by the National Living Wage.

Every role within YMCA England and Wales is benchmarked and considered against the market. We ensure our assessment of salaries is undertaken against a robust job evaluation process and consistent with our range of policies that ensure fair recruitment. We continue to review the implications of our gender pay gap statement and specifically the gender balance of staffing across the organisation – in particular at the higher quartiles – and have undertaken a review of our pay and grading framework.

In view of the financial situation caused by Covid-19 there were no increases at April 2020 (or April 2021) but as the position clarified, the Board awarded a one-off non-consolidated award of 2% of gross salary in March 2021 and a 2% consolidated award in 2021-22. In March 2022 a further 2.25% non-consolidated award was applied (in the light of inflationary cost pressures and now affordability) with a 3% award (consolidated) from April 2022. Due to the increased cost of living and inflation rates a 7% increase was awarded in April 2023.

## Employment of disabled persons

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

## Safeguarding

As an organisation that works in communities and with young people the YMCA England & Wales Board recognises its responsibilities in relation to safeguarding, and promoting a climate in which individuals are able to report their concerns in confidence and have these dealt with appropriately. The Board have an appointed individual with responsibility for safeguarding and safeguarding is a standing item at all Board meetings, with the Board being informed on not only current status but also progress against the actions that make up the Safeguarding Strategy.

Transparency and individual understanding of the practices and procedures to be followed are key in ensuring that all individuals feel safe in any engagement with YMCA England & Wales (whether an employee, volunteer or user of services). We have continued work in relation to our Safeguarding Strategy ensuring continuous improvement in our policies, practices and procedures to ensure that these remain appropriate. Actions taken have included improvements to our recruitment procedures, ensuring that all members of staff receive safeguarding training, additional steps to encourage and enable staff to report any safeguarding concerns (especially during the time over which our shops have been closed during the pandemic and staff working virtually) as well as more detailed training for all line managers on safeguarding, in particular on how to encourage reporting and their role in subsequent action given their position in the organisation. Further to this we have also rolled out a tool (My Concern) that provides for greater transparency and monitoring of any incidents, as well having undertaken a detailed safeguarding audit to ensure that we continue to tighten up on practices.

Whilst highlighting these improvements, the Board are not complacent in their responsibilities, recognising that there is always more to do with a need to continue to learn and adapt to changes in the environment. Work is therefore continuing to be taken forward in the identified action and in working with our colleagues across the Federation to share practice and through the Federation Safeguarding Group meeting to continue to improve practice wherever possible.

## Statement of Trustees' responsibilities

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

Company and social housing regulations require the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the surplus or deficit of the group for the year. In preparing financial statements the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Make judgements and accounting estimates that are reasonable and prudent
- ▶ State whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice: Accounting by registered providers of social housing 2014, subject to any material departures disclosed and explained in the financial statements
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014. Financial statements are published on YMCA England and Wales website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of this website is the responsibility of the board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Members of the Board of Trustees

The members of the Board of Trustees who served during the year, including the Chairman, Vice Chair and the Senior Leadership Team are listed on pages 48 and 49.

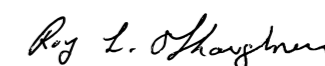
## Appointment of auditors

The Finance, Audit and Risk Committee agree the audit strategy each year during which they assess the independence of external auditors. External audit services are placed out to tender every five years and were last reviewed in 2020.

## Disclosure of information to auditors

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

The Strategic and Trustee reports were approved by the Board of Trustees on 20th September 2023 and signed on its behalf by:



**Roy O'Shaughnessy**  
Chair,  
YMCA England & Wales



## Trustees and Advisors

**President:** The Right Reverend and Right Honorable Lord Sentamu (resigned May 2023)

**Vice-presidents:** Tim Waldron (resigned May 2023)  
Val Wallis MBE<sup>5</sup>  
Peter Posner OBE

### Board members

- ▶ Reg Bailey CBE<sup>4</sup> Chair to July (resigned July 2023)
- ▶ Roy O’Shaughnessy Chair from July (appointed July 2023)
- ▶ Paul Brown (appointed December 2022)
- ▶ Peter Calderbank<sup>1</sup> (Co-opted) Chair of Finance, Audit and Risk Committee
- ▶ Maxine Green (Co-opted) (resigned December 2022)
- ▶ Ross Hendry<sup>3</sup>
- ▶ Paul Laffey
- ▶ Jemima Lovett<sup>2</sup> (Co-opted) (resigned December 2022)
- ▶ Jonathan Rowe<sup>3, 4</sup>
- ▶ Hanna Sebright
- ▶ Gillian Sewell
- ▶ Charlotte Smith (Co-opted)
- ▶ Chris Stern
- ▶ Alex Taylor (appointed December 2022)
- ▶ Josh Walker (appointed December 2022)
- ▶ Dawn Ward CBE<sup>1</sup>
- ▶ Emma White (Osmundsen)<sup>3</sup> Vice-Chair

### Membership of committees, panels and advisory groups during the year ended March 2023:

- <sup>1</sup> Finance and Audit Committee (2 Board members plus up to 6 independent members) Dawn Ward was appointed to the Committee from September 2022
- <sup>2</sup> Governance Committee (1 Board member plus 5 independent members)
- <sup>3</sup> Chairs Nominations Committee (Up to 3 Board Members, 1 being the Vice-Chair), Chair of a Member YMCA plus 2 independent members and Company Secretary of National Council as ex-officio.
- <sup>4</sup> Nominations Committee (Up to 3 Board Members, 1 being the Chair), Chair of a Member YMCA plus 2 independent members, CEO and Company Secretary of National Council as ex-officio’s.
- <sup>5</sup> Archives Group (a Vice-President plus 4 independent members)

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

### Advisors

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

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

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

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

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

### Senior staff

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

- ▶ Denise Hatton

#### Senior Leadership Team:

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

#### Company Secretary:

Duncan Berry

**Registered Office:**  
3rd Floor  
10–11 Charterhouse Square  
London EC1M 6EH

**Registered charity number:** 212810  
**Registered company number:** 73749  
**Homes England agency number:** LH2204

# Independent Auditor's Report

To the members of the National Council of Young Men's Christian Associations (incorporated)

## Opinion

We have audited the financial statements of National Council for Young Men's Christian Associations (Incorporated) ('the charitable company) and its subsidiaries (the "group) for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, the Consolidated and Parent Balance Sheets, the Consolidated and Parent Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees 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 or the charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matter prescribed by the Companies Act 2006

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

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 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 financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

As explained more fully in the statement of Trustees' Responsibilities on page 47, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, GDPR, taxation legislation, health & safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

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

Tim Redwood  
Senior Statutory Auditor  
For and on behalf of

Crowe U.K. LLP  
Statutory Auditor  
London

# FINANCIAL STATEMENTS



**National Council of Young Men's Christian Associations (Incorporated) | Consolidated statement of financial activities | Year ended 31 March 2023**

|   | Note | 2023                  |                     |                | 2022                  |                     |                |
|---|------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
|   |      | UNRESTRICTED<br>£'000 | RESTRICTED<br>£'000 | TOTAL<br>£'000 | UNRESTRICTED<br>£'000 | RESTRICTED<br>£'000 | TOTAL<br>£'000 |
| <b>INCOME FROM</b>                                |      |                       |                     |                |                       |                     |                |
| Donations and legacies                            | 2.1  | 3,396                 | 393                 | 3,789          | 2,777                 | 266                 | 3,043          |
| Affiliation fees                                  | 2.2  | 1,053                 | -                   | 1,053          | 1,039                 | -                   | 1,039          |
| Income from charitable activities                 | 2.3  | 137                   | 578                 | 715            | 111                   | 674                 | 785            |
| Income from trading activities                    | 2.4  | 15,929                | -                   | 15,929         | 12,544                | -                   | 12,544         |
| Investments, interest and rental income           | 2.5  | 228                   | 15                  | 243            | 177                   | 25                  | 202            |
| (Loss) profit on disposal of fixed assets         | 2.6  | -                     | 13                  | 13             | -                     | (21)                | (21)           |
| <b>TOTAL INCOME</b>                               |      | <b>20,743</b>         | <b>999</b>          | <b>21,742</b>  | <b>16,648</b>         | <b>944</b>          | <b>17,592</b>  |
| <b>EXPENDITURE FROM</b>                           |      |                       |                     |                |                       |                     |                |
| Costs of raising funds                            | 3.1  | 1,618                 | -                   | 1,618          | 1,357                 | -                   | 1,357          |
| Expenditure on charitable activities              | 3.2  | 4,198                 | 1,233               | 5,431          | 3,842                 | 930                 | 4,772          |
| Operating costs of trading activities             | 3.3  | 13,672                | -                   | 13,672         | 10,931                | -                   | 10,931         |
| <b>TOTAL EXPENDITURE</b>                          |      | <b>19,488</b>         | <b>1,233</b>        | <b>20,721</b>  | <b>16,130</b>         | <b>930</b>          | <b>17,060</b>  |
| <b>NET INCOME (EXPENDITURE) FOR THE YEAR</b>      |      | <b>1,255</b>          | <b>(234)</b>        | <b>1,021</b>   | <b>518</b>            | <b>14</b>           | <b>532</b>     |
| Net (losses) gains on investments                 | 7.   | (331)                 | (1)                 | (332)          | 1,089                 | 4                   | 1,093          |
| Transfers between funds                           | 14.  | -                     | -                   | -              | 240                   | (240)               | -              |
| Other recognised gains and losses:                |      |                       |                     |                |                       |                     |                |
| Losses (gains) on defined benefit pension schemes |      | (185)                 | -                   | (185)          | 243                   | -                   | 243            |
| <b>NET MOVEMENT IN FUNDS</b>                      |      | <b>739</b>            | <b>(235)</b>        | <b>504</b>     | <b>2,090</b>          | <b>(222)</b>        | <b>1,868</b>   |
| Reconciliation of funds                           |      |                       |                     |                |                       |                     |                |
| Fund balances at 1 April                          |      | 6,089                 | 1,852               | 7,941          | 3,999                 | 2,074               | 6,073          |
| <b>FUND BALANCES AT 31 MARCH</b>                  |      | <b>6,828</b>          | <b>1,617</b>        | <b>8,445</b>   | <b>6,089</b>          | <b>1,852</b>        | <b>7,941</b>   |

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

The notes on pages 62 to 85 form part of these accounts.

**National Council of Young Men's Christian Associations (Incorporated) | Consolidated statement of financial activities | Year ended 31 March 2023****Commentary**

The increased income arises from the planned expansion of the charity shops plus increased fundraising income (in particular legacies). Retail also includes the release of £1.1m of grant income. All Retail income is subject to profit share with local YMCAs. Fundraising income includes £0.2m arising on the Ukraine Appeal.

Expenditure on charitable activities includes almost £1.3m payments to local YMCAs for Roomsponsor and Retail profit shares plus £0.3m on programme activities and £0.2m paid to YMCA Europe towards their relief work in Ukraine. Retail expenditure has increased due to the additional number of shops and higher energy costs.

YMCA England & Wales is reporting an operating surplus on general funds of £1.3m for the year which includes the £1.1m non-recurring government grants (2022: operating surplus £0.5m). During the year, investment values fell by £0.3m due to market conditions offsetting part of the £1.1m gains reported in the prior year. Net increase in funds is therefore £0.5m (2022: £1.87m).



## National Council of Young Men's Christian Associations (Incorporated) | Statement of cash flows | Year ended 31 March 2023

|  | 31 March 2023  |                 | 31 March 2022  |                 |
|--|----------------|-----------------|----------------|-----------------|
|  | Group<br>£'000 | Parent<br>£'000 | Group<br>£'000 | Parent<br>£'000 |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>               |                |                 |                |                 |
| Net income for the year                                  | 1,021          | 1,021           | 532            | 532             |
| (Profit) loss on disposal of fixed assets                | (13)           | (13)            | 21             | 21              |
| Depreciation charge                                      | 274            | 274             | 359            | 359             |
| Return on investments and servicing of finance           | (243)          | (243)           | (202)          | (202)           |
| (Increase) in stocks                                     | (60)           | (60)            | (68)           | (68)            |
| (Increase) decrease in debtors                           | (686)          | (716)           | 169            | 141             |
| (Decrease) increase in creditors and deferred income     | (343)          | (360)           | 1,089          | 1,098           |
| <b>NET CASHFLOW GENERATED FROM OPERATING ACTIVITIES</b>  | <b>(50)</b>    | <b>(97)</b>     | <b>1,900</b>   | <b>1,881</b>    |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>               |                |                 |                |                 |
| Trust & Association and Movement Trust Fund investments: |                |                 |                |                 |
| (Increase) decrease in funds on short term deposit       | (4)            | (4)             | 16             | 16              |
| Investment income  | 170            | 170             | 167            | 167             |
| Interest received  | 73             | 73              | 35             | 35              |
|  | 239            | 239             | 218            | 218             |
| Cash inflow from sale of fixed assets                    | 13             | 13              | -              | -               |
| Cash (outflow) from purchase of other fixed assets       | (395)          | (395)           | (349)          | (349)           |
| <b>NET CASHFLOW FROM INVESTING ACTIVITIES</b>            | <b>(143)</b>   | <b>(143)</b>    | <b>(131)</b>   | <b>(131)</b>    |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>               |                |                 |                |                 |
| Pension deficit payments                                 | (1,230)        | (1,230)         | (1,527)        | (1,527)         |
| Funds (placed on) short term deposit                     | (1)            | (1)             | -              | -               |
| <b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>            | <b>(1,231)</b> | <b>(1,231)</b>  | <b>(1,527)</b> | <b>(1,527)</b>  |
| <b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>  | <b>(1,424)</b> | <b>(1,471)</b>  | <b>242</b>     | <b>223</b>      |
| Cash at bank and in hand at 1 April                      | 3,674          | 3,648           | 3,432          | 3,425           |
| <b>Cash at bank and in hand 31 March</b>                 | <b>2,250</b>   | <b>2,177</b>    | <b>3,674</b>   | <b>3,648</b>    |

## National Council of Young Men's Christian Associations (Incorporated) | Statement of cash flows | Year ended 31 March 2023

Continued

## ANALYSIS OF CHANGES IN GROUP NET DEBT

|                           | At 31 March<br>2023<br>£'000 | Operational<br>£'000 | At 31 March<br>2022<br>£'000 |
|---------------------------|------------------------------|----------------------|------------------------------|
| Cash and cash equivalents | 2,250                        | (1,424)              | 3,674                        |
| Short-term deposits       | 484                          | 5                    | 479                          |
|                           | <b>2,734</b>                 | <b>(1,419)</b>       | <b>4,153</b>                 |

## ANALYSIS OF CHANGES IN PARENT NET DEBT

|                           | At 31 March<br>2023<br>£'000 | Operational<br>£'000 | At 31 March<br>2022<br>£'000 |
|---------------------------|------------------------------|----------------------|------------------------------|
| Cash and cash equivalents | 2,177                        | (1,471)              | 3,648                        |
| Short-term deposits       | 484                          | 5                    | 479                          |
|                           | <b>2,661</b>                 | <b>(1,466)</b>       | <b>4,127</b>                 |

The notes on pages 62 to 85 form part of these accounts.

**National Council of Young Men’s Christian Associations (Incorporated) | Accounting policies | Year ended 31 March 2023**

**1 | Accounting Policies**

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

**1.1 | Basis of accounting**

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

As disclosed on page 47, the trustees are responsible for preparing the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue on this basis. The trustees have undertaken an assessment in relation to going concern and has considered such matters as the level of reserves, together with the Plan’s forecasted future results. The trustees have determined that there is not a material uncertainty as to the ability of the charity to

continue as a going concern for the foreseeable future and the trustees therefore believe it remains appropriate to prepare the financial statements on a going concern basis.

**1.2 | Basis of consolidation**

The National Council of YMCAs is required to prepare consolidated financial statements on a line-by-line basis including the results of the company’s trading subsidiary (YMCA Retail Limited), and the operations of Dunford Trust, Douglas Wood Charity and the YMCA Trust Fund. Prior to the gift aid payment from the subsidiaries, the gross income of the parent company was £21.7m (2022: £17.5m) and the net movement in funds reported for the year includes a surplus of £0.5m (2022: surplus of £1.8m) which is dealt with in the financial statements of the parent company.

**1.3 | General**

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

Restricted funds are raised for specific purposes and may only be used for the specified purpose. The movement on these funds are separated from

movements in unrestricted funds on the Statement of Financial Activities and the amount at the balance sheet date is shown in note 14. Where funds are in deficit they are charged against the General Fund.

**1.4 | Dunford House**

This property was held by YMCA England & Wales as trustee, and under the terms of the Trust Deed the surpluses from operations can only be applied for specified purposes accordingly this is shown as a movement on restricted funds.

**1.5 | Turnover**

The total income represents the amounts receivable exclusive of VAT in respect of operational activities, grants receivable and fundraising activities. All income arose in the United Kingdom. All income from operations, grants and fundraising is recognised in the Statement of Financial Activities when any conditions relating to the income have been satisfied, and any amounts in respect of future periods are carried forward as deferred income. Goods donated for sale in the charity shops are included at their sales value. Gifts received in kind are included in income at their market value with a corresponding charge included within expenditure.

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

**National Council of Young Men’s Christian Associations (Incorporated) | Accounting policies | Year ended 31 March 2023**

**1.6 | Legacies**

Legacies are recognised within income and debtors when probate is granted unless there are specific conditions preventing receipt, eg a life tenant. At the year end there were 8 legacies notified but not recognised as probate had not been granted (2022: 2 legacies) and 8 legacies subject to life tenants with an estimated value of £74k (2022: 7 legacies with estimated value of £69k) which are held in property and investments.

**1.7 | Capital expenditure and depreciation**

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

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

Estimated provisions are made for significant leasehold property dilapidation liabilities.

**1.8 | Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Goods donated for

sale in the charity shops are included at their fair value.

**1.9 | Expenditure**

Expenditure is accounted for on an accruals basis. Direct expenses are allocated to the department incurring the expenditure. Expenditure is stated inclusive of irrecoverable VAT. During the year ended 31 March 2023 YMCA England and Wales incurred VAT of £29,102 (2022: £37,890) which it was unable to recover.

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

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

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

**1.10 | Investments**

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

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

Investment income is accounted for on a receivable basis.

**1.11 | Operating leases**

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

**1.12 | Pensions**

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

As described in note 13, YMCA England & Wales has a contractual obligation to make annual pension deficit payments of £1.03m over the period to April 2029 (2022: £1.0m pa over period to April 2029) , accordingly this is shown as a liability in these accounts.



**National Council of Young Men's Christian Associations (Incorporated) | Accounting policies | Year ended 31 March 2023**

In addition, YMCA England & Wales is required to contribute £244k (2022: £224k) pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

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

**1.13 | Liabilities**

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

**1.14 | Cash at bank and in hand**

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

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

**1.15 | Foreign currencies**

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

**1.16 | Judgements in applying accounting policies and key sources of estimation uncertainty**

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

- ▶ Whether there are indicators of impairment

of the group's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset;

- ▶ Depreciation of tangible assets is based on their estimated useful lives;
- ▶ Provision is made for future leasehold property dilapidation costs at the best estimate of the likely future liability based on the nature and condition of the property;
- ▶ Donated stock has no value until it is sold. The value of items held at the year end is therefore based on the average sales in the first two weeks of April;
- ▶ The discount factor used for pension deficit contributions in future years;
- ▶ The underlying assumptions in relation to the estimate of the pension plan obligations such as return on assets, increases in pensions in payment and mortality. Variations in these assumptions have the ability to significantly influence the value of the pension liability and the annual contributions required.

**National Council of Young Men's Christian Associations (Incorporated) | Analysis of total income | Year ended 31 March 2023**

|  | Grants and<br>Contracts<br>for services<br>£'000 | Other<br>Income<br>£'000 | TOTAL<br>2023<br>£'000 | Grants and<br>Contracts<br>for services<br>£'000 | Other<br>Income<br>£'000 | TOTAL<br>2022<br>£'000 |
|--|--|--------------------------|------------------------|--|--------------------------|------------------------|
| <b>2.1 DONATIONS AND LEGACIES</b>                  |  |                          |                        |  |                          |                        |
| Individuals  | -  | 2,435                    | 2,435                  | -  | 2,332                    | 2,332                  |
| Legacies   | -  | 1,225                    | 1,225                  | -  | 559                      | 559                    |
| Corporate and Trusts                               | -  | 129                      | 129                    | -  | 152                      | 152                    |
|  | <u>-</u>   | <u>3,789</u>             | <u>3,789</u>           | <u>-</u>   | <u>3,043</u>             | <u>3,043</u>           |
| <b>2.2 AFFILIATION FEES</b>                        | <u>-</u>   | <u>1,053</u>             | <u>1,053</u>           | <u>-</u>   | <u>1,039</u>             | <u>1,039</u>           |
| <b>2.3 INCOME FROM CHARITABLE ACTIVITIES</b>       |  |                          |                        |  |                          |                        |
| Movement Services                                  | -  | 51                       | 51                     | -  | 55                       | 55                     |
| Programme Development                              | 578  | -                        | 578                    | 674  | -                        | 674                    |
| Communications, Policy & Research                  | 7  | 43                       | 50                     | 1  | 8                        | 9                      |
| International                                      | -  | -                        | -                      | -  | 10                       | 10                     |
| Central Services                                   | 6  | 30                       | 36                     | 1  | 36                       | 37                     |
|  | <u>591</u>                                       | <u>124</u>               | <u>715</u>             | <u>676</u>                                       | <u>109</u>               | <u>785</u>             |
| <b>2.4 INCOME FROM TRADING ACTIVITIES</b>          |  |                          |                        |  |                          |                        |
| Income generated by charity shops                  | 1,146  | 14,709                   | 15,855                 | 344  | 12,150                   | 12,494                 |
| Trading companies (note 8)                         | -  | 74                       | 74                     | -  | 50                       | 50                     |
|  | <u>1,146</u>                                     | <u>14,783</u>            | <u>15,929</u>          | <u>344</u>                                       | <u>12,200</u>            | <u>12,544</u>          |
| <b>2.5 INVESTMENTS, INTEREST AND RENTAL INCOME</b> |  |                          |                        |  |                          |                        |
| Investment income                                  | -  | 170                      | 170                    | -  | 167                      | 167                    |
| Interest receivable                                | -  | 73                       | 73                     | -  | 35                       | 35                     |
|  | <u>-</u>   | <u>243</u>               | <u>243</u>             | <u>-</u>   | <u>202</u>               | <u>202</u>             |
| <b>2.6 PROFIT ON SALE OF FIXED ASSETS</b>          |  |                          |                        |  |                          |                        |
| Profit (loss) on sale of assets                    | -  | 13                       | 13                     | -  | (21)                     | (21)                   |
|  | <u>-</u>   | <u>13</u>                | <u>13</u>              | <u>-</u>   | <u>(21)</u>              | <u>(21)</u>            |
| <b>TOTAL INCOME</b>                                | <u>1,737</u>                                     | <u>20,005</u>            | <u>21,742</u>          | <u>1,020</u>                                     | <u>16,572</u>            | <u>17,592</u>          |

**National Council of Young Men's Christian Associations (Incorporated) | Analysis of total income |** Year ended 31 March 2023

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

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

The above income includes the following statutory items:

Grants and contracts for services from Government sources:

|  | <b>Grants and<br/>Contracts<br/>for services<br/>£'000</b> | <b>Other<br/>Income<br/>£'000</b> | <b>TOTAL<br/>2023<br/>£'000</b> | <b>Grants and<br/>Contracts<br/>for services<br/>£'000</b> | <b>Other<br/>Income<br/>£'000</b> | <b>TOTAL<br/>2022<br/>£'000</b> |
|--|--|-----------------------------------|---------------------------------|--|-----------------------------------|---------------------------------|
| - Furlough income                                      | -  | -                                 | -                               | 77   | -                                 | 77                              |
| - Retail grants  | 1,129  | -                                 | 1,129                           | 209  | -                                 | 209                             |
| - Kickstart  | 30   | -                                 | 30                              | 59   | -                                 | 59                              |
| Dept for Culture, Media and Sport re Y's Girls Project | 578  | -                                 | 578                             | 653  | -                                 | 653                             |
| Gift aid receivable                                    | -  | 695                               | 695                             | -  | 675                               | 675                             |
|  | <b>1,737</b>   | <b>695</b>                        | <b>2,432</b>                    | <b>998</b>   | <b>675</b>                        | <b>1,673</b>                    |

**National Council of Young Men's Christian Associations (Incorporated) | Analysis of total expenditure |** Year ended 31 March 2023

|  | <b>Staff Costs<br/>(Note 3.5)<br/>£'000</b> | <b>Other<br/>Costs<br/>£'000</b> | <b>Grants<br/>payable<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>TOTAL<br/>2023<br/>£'000</b> | <b>Staff Costs<br/>(Note 3.5)<br/>£'000</b> | <b>Other<br/>Costs<br/>£'000</b> | <b>Grants<br/>payable<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>TOTAL<br/>2022<br/>£'000</b> |
|--|---|----------------------------------|-------------------------------------|------------------------------------|---------------------------------|---|----------------------------------|-------------------------------------|------------------------------------|---------------------------------|
| <b>3.1 COSTS OF RAISING FUNDS</b>                    |   |                                  |                                     |                                    |                                 |   |                                  |                                     |                                    |                                 |
| Individuals  | 437   | 543                              | -                                   | 210                                | 1,190                           | 385   | 504                              | -                                   | 165                                | 1,054                           |
| Legacies   | 62  | 72                               | -                                   | 42                                 | 176                             | 51  | 23                               | -                                   | 33                                 | 107                             |
| Corporate and Trusts                                 | 146   | 22                               | -                                   | 84                                 | 252                             | 129   | 1                                | -                                   | 66                                 | 196                             |
|  | <b>645</b>                                  | <b>637</b>                       | <b>-</b>                            | <b>336</b>                         | <b>1,618</b>                    | <b>565</b>                                  | <b>528</b>                       | <b>-</b>                            | <b>264</b>                         | <b>1,357</b>                    |
| <b>3.2 CHARITABLE ACTIVITIES</b>                     |   |                                  |                                     |                                    |                                 |   |                                  |                                     |                                    |                                 |
| Movement Services                                    | 197   | 302                              | -                                   | 509                                | 1,008                           | 217   | 230                              | -                                   | 356                                | 803                             |
| Funding support                                      | 175   | 179                              | -                                   | 84                                 | 438                             | 176   | 180                              | -                                   | 66                                 | 422                             |
| Programme Development                                | 112   | 256                              | 361                                 | 73                                 | 802                             | 113   | 170                              | 469                                 | 50                                 | 802                             |
| Communications, Policy & Research                    | 533   | 284                              | -                                   | 252                                | 1,069                           | 528   | 294                              | -                                   | 210                                | 1,032                           |
| Legal Support and Trust & Association Funds          | -   | 2                                | -                                   | 32                                 | 34                              | -   | 24                               | 5                                   | 26                                 | 55                              |
| Payments to YMCAs                                    | -   | -                                | 1,472                               | -                                  | 1,472                           | -   | -                                | 1,117                               | -                                  | 1,117                           |
| International Work                                   | -   | 204                              | -                                   | 32                                 | 236                             | -   | 195                              | 30                                  | 26                                 | 251                             |
| Dunford House  | -   | 20                               | 60                                  | -                                  | 80                              | -   | (14)                             | 30                                  | -                                  | 16                              |
| Defined benefit pension scheme operating expenditure | 224   | -                                | -                                   | -                                  | 224                             | 238   | -                                | -                                   | -                                  | 238                             |
| Central Services (note 3.4)                          | 1,261                                       | 1,169                            | 20                                  | (2,382)                            | 68                              | 1,134                                       | 857                              | -                                   | (1,955)                            | 36                              |
|  | <b>2,502</b>                                | <b>2,416</b>                     | <b>1,913</b>                        | <b>(1,400)</b>                     | <b>5,431</b>                    | <b>2,406</b>                                | <b>1,936</b>                     | <b>1,651</b>                        | <b>(1,221)</b>                     | <b>4,772</b>                    |
| <b>3.3 OPERATING COSTS OF TRADING ACTIVITIES</b>     |   |                                  |                                     |                                    |                                 |   |                                  |                                     |                                    |                                 |
| Operating costs of charity shops                     | 6,634                                       | 5,941                            | -                                   | 1,064                              | 13,639                          | 5,154                                       | 4,792                            | -                                   | 957                                | 10,903                          |
| Trading companies (note 8)                           | -   | 33                               | -                                   | -                                  | 33                              | -   | 28                               | -                                   | -                                  | 28                              |
|  | <b>6,634</b>                                | <b>5,974</b>                     | <b>-</b>                            | <b>1,064</b>                       | <b>13,672</b>                   | <b>5,154</b>                                | <b>4,820</b>                     | <b>-</b>                            | <b>957</b>                         | <b>10,931</b>                   |
| <b>TOTAL EXPENDITURE</b>                             | <b>9,781</b>                                | <b>9,027</b>                     | <b>1,913</b>                        | <b>-</b>                           | <b>20,721</b>                   | <b>8,125</b>                                | <b>7,284</b>                     | <b>1,651</b>                        | <b>-</b>                           | <b>17,060</b>                   |

The grants payable are made to local YMCAs.

Other costs within "operating costs of charity shops" in note 3.3 includes dilapidation provisions of £96k (2022: £99k), which is the estimated value of dilapidation obligations arising on the retail units based on floor area.

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 3.4 Central Services

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

|                       | Basis of allocation         | Fundraising<br>Activities<br>£'000 | Retail<br>activities<br>£'000 | Influencing<br>Activities<br>£'000 | Business<br>Development<br>£'000 | Movement<br>Support<br>£'000 | TOTAL<br>2023<br>£'000 |
|-----------------------|-----------------------------|------------------------------------|-------------------------------|------------------------------------|----------------------------------|------------------------------|------------------------|
| Office Services       | London staff numbers        | 170                                | 157                           | 104                                | 28                               | -                            | 459                    |
| Central Overheads     | Estimated time              | 31                                 | 31                            | 80                                 | 12                               | 462                          | 616                    |
| Personnel and payroll | Average number of employees | 128                                | 360                           | 79                                 | 21                               | 30                           | 618                    |
| Finance               | Estimated time              | 62                                 | 425                           | 35                                 | 7                                | 17                           | 546                    |
| IT                    | Number of PCs               | 29                                 | 91                            | 18                                 | 5                                | -                            | 143                    |
| <b>TOTAL 2023</b>     |                             | <b>420</b>                         | <b>1,064</b>                  | <b>316</b>                         | <b>73</b>                        | <b>509</b>                   | <b>2,382</b>           |

|                       | Basis of allocation         | Fundraising<br>Activities<br>£'000 | Retail<br>activities<br>£'000 | Influencing<br>Activities<br>£'000 | Business<br>Development<br>£'000 | Movement<br>Support<br>£'000 | TOTAL<br>2022<br>£'000 |
|-----------------------|-----------------------------|------------------------------------|-------------------------------|------------------------------------|----------------------------------|------------------------------|------------------------|
| Office Services       | London staff numbers        | 143                                | 171                           | 96                                 | -                                | -                            | 410                    |
| Central Overheads     | Estimated time              | 21                                 | 21                            | 56                                 | 9                                | 322                          | 429                    |
| Personnel and payroll | Average number of employees | 78                                 | 298                           | 52                                 | 26                               | 19                           | 473                    |
| Finance               | Estimated time              | 61                                 | 372                           | 40                                 | 6                                | 15                           | 494                    |
| IT                    | Number of PCs               | 27                                 | 95                            | 18                                 | 9                                | -                            | 149                    |
| <b>TOTAL 2022</b>     |                             | <b>330</b>                         | <b>957</b>                    | <b>262</b>                         | <b>50</b>                        | <b>356</b>                   | <b>1,955</b>           |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 3.5 EMPLOYEE COSTS (including subsidiaries)

|  | TOTAL<br>2023<br>£'000 | TOTAL<br>2022<br>£'000 |
|--|------------------------|------------------------|
| Staff costs comprise:  |                        |                        |
| Wages & salaries   | 8,564                  | 7,095                  |
| Social security costs  | 698                    | 551                    |
| Employer's contribution towards pension scheme operating expenditure | 224                    | 238                    |
| Other pension costs  | 295                    | 241                    |
|  | <b>9,781</b>           | <b>8,125</b>           |

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

|                            | Average<br>Number | Full-time<br>Equivalent | Average<br>Number | Full-time<br>Equivalent |
|----------------------------|-------------------|-------------------------|-------------------|-------------------------|
| UK - charitable activities | 15                | 15                      | 16                | 16                      |
| UK - fundraising           | 20                | 19                      | 18                | 18                      |
| UK - charity shops         | 362               | 290                     | 316               | 254                     |
| UK - other activities      | 22                | 22                      | 21                | 20                      |
| <b>TOTAL</b>               | <b>419</b>        | <b>346</b>              | <b>371</b>        | <b>308</b>              |

The number of employees whose emoluments exceeded £60,000 (including pension contributions) per annum during the year was as follows:

|                      | Number    | Number    |
|----------------------|-----------|-----------|
| £60,001 to £70,000   | 5         | 4         |
| £70,001 to £80,000   | 2         | 3         |
| £80,001 to £90,000   | 1         | -         |
| £100,001 to £110,000 | -         | 1         |
| £110,001 to £120,000 | 2         | 2         |
| £120,001 to £130,000 | 1         | -         |
| £130,001 to £140,000 | -         | 1         |
| £140,001 to £150,000 | 1         | -         |
|                      | <b>12</b> | <b>11</b> |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

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

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

Total redundancy costs of £10,209 arose from shop closures (2022: £22,427 from restructuring the staff team).

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

|  | 2023   |            | 2022   |            |
|--|--------|------------|--------|------------|
|  | Number | £'000      | Number | £'000      |
| Aggregate remuneration (excluding pension contributions) |        | 420        |        | 395        |
| Pension contributions                                    |        | 91         |        | 76         |
| Aggregate remuneration (including pension contributions) | 4      | <u>511</u> | 4      | <u>471</u> |
| Highest paid (excluding pension contributions)           |        | 127        |        | 115        |
| Pension contributions                                    |        | 22         |        | 20         |
| Highest paid (including pension contributions)           |        | <u>149</u> |        | <u>135</u> |

## 3.6 EXPENSES

Board meetings continue to be held electronically except for the AGM, board expenses of £806 were reimbursed (2022: £229). No board members received any remuneration for their services during the year (2022: £nil).

Members of the Senior Leadership Team were reimbursed for the following items of expenditure:

|              | 2023<br>£'000 | 2022<br>£'000 |
|--------------|---------------|---------------|
| Travel costs | 2             | 4             |
| Subsistence  | 2             | 2             |
| Others       | 1             | 3             |
|              | <u>5</u>      | <u>9</u>      |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 4. NET EXPENDITURE FOR THE YEAR

The reported net income (expenditure) for the year is after charging:

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| Operating lease rentals payable:               |               |               |
| Property rentals                               | 1,565         | 1,406         |
| Motor vehicles                                 | 93            | 86            |
| Equipment                                      | <u>15</u>     | <u>13</u>     |
|  | <u>1,673</u>  | <u>1,505</u>  |
| Auditors remuneration:                         |               |               |
| Total (parent company £32,100 (2022: £26,500)) | <u>33</u>     | <u>27</u>     |
| and after crediting:                           |               |               |
| Income from UK listed investments              | <u>170</u>    | <u>167</u>    |
| Interest receivable:                           |               |               |
| - Interest on bank deposits                    | 45            | 4             |
| - Loan interest                                | <u>28</u>     | <u>30</u>     |
|  | <u>73</u>     | <u>35</u>     |

## 5. REGISTERED SOCIAL LANDLORD ACTIVITIES

All of the supported housing accommodation has been sold to the management agents, accordingly there were no housing units held at March 2022 or 2023.

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 6.1 TANGIBLE FIXED ASSETS

|   | Land & Buildings  |                             | Equipment<br>& Vehicles | TOTAL |
|---|-------------------|-----------------------------|-------------------------|-------|
|   | Freehold<br>£'000 | Short<br>Leasehold<br>£'000 |                         |       |
| Cost:   |                   |                             |                         |       |
| At 1 April 2022                                   | 2                 | 204                         | 1,131                   | 1,337 |
| Additions   | -                 | 18                          | 377                     | 395   |
| Disposals   | -                 | (3)                         | (221)                   | (224) |
| At 31 March 2023                                  | 2                 | 219                         | 1,287                   | 1,508 |
| Depreciation:                                     |                   |                             |                         |       |
| At 1 April 2022                                   | 1                 | 159                         | 636                     | 796   |
| Charge for the year                               | -                 | 31                          | 243                     | 274   |
| Disposals   | -                 | (3)                         | (221)                   | (224) |
| At 31 March 2023                                  | 1                 | 187                         | 658                     | 846   |
| NET BOOK VALUE:                                   |                   |                             |                         |       |
| 31 March 2023                                     | 1                 | 32                          | 629                     | 662   |
| 31 March 2022                                     | 1                 | 45                          | 495                     | 541   |
| The above analysis includes Items held on leases: |                   |                             |                         |       |
| 31 March 2023                                     | -                 | 32                          | -                       | 32    |
| 31 March 2022                                     | -                 | 45                          | -                       | 45    |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

|   | Land & Buildings  |                             | Equipment<br>& Vehicles | TOTAL |
|---|-------------------|-----------------------------|-------------------------|-------|
|   | Freehold<br>£'000 | Short<br>Leasehold<br>£'000 |                         |       |
| The net book value at 31 March 2023 represents fixed assets used for: |                   |                             |                         |       |
| Charitable Activities   | 1                 | -                           | -                       | 1     |
| Management & administration   | -                 | -                           | 44                      | 44    |
| Retail Operations   | -                 | 32                          | 585                     | 617   |
|   | 1                 | 32                          | 629                     | 662   |

The net book value at 31 March 2022 represents fixed assets used for:

|                             |   |    |     |     |
|-----------------------------|---|----|-----|-----|
| Charitable Activities       | 1 | -  | -   | 1   |
| Management & administration | - | 9  | 41  | 50  |
| Retail Operations           | - | 36 | 454 | 490 |
|                             | 1 | 45 | 495 | 541 |

The net book value of freehold land and buildings includes land at cost of £400 (2022: £400) which is not depreciated.

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

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 7. INVESTMENTS

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

## March 2023:

|  | At Cost             |                    |                     | At Market Value     |   |
|--|---------------------|--------------------|---------------------|---------------------|---|
|  | March 2022<br>£'000 | Additions<br>£'000 | March 2023<br>£'000 | March 2023<br>£'000 | Unrealised gains<br>during the<br>year<br>£'000 |
| COIF Charities Ethical Investment Fund | 5,000               | -                  | 5,000               | 5,576               | (290)   |
| UBS Managed Funds                      | 5,000               | -                  | 5,000               | 6,524               | (41)  |
|  | 10,000              | -                  | 10,000              | 12,100              | (331)   |

## March 2022:

|  | At Cost             |                    |                     | At Market Value     |   |
|--|---------------------|--------------------|---------------------|---------------------|---|
|  | March 2021<br>£'000 | Additions<br>£'000 | March 2022<br>£'000 | March 2022<br>£'000 | Unrealised gains<br>during the<br>year<br>£'000 |
| COIF Charities Ethical Investment Fund | 5,000               | -                  | 5,000               | 5,866               | 459   |
| UBS Managed Funds                      | 5,000               | -                  | 5,000               | 6,565               | 630   |
|  | 10,000              | -                  | 10,000              | 12,431              | 1,089   |

These funds are held to enable the charity to meet its future obligations to the pension scheme.

## Investment Analysis:

| Cash and liquid assets<br>£'000 | Equities<br>£'000 | Bonds<br>£'000 | Property and other investments<br>£'000 |
|---------------------------------|-------------------|----------------|---|
| 292                             | 4,027             | 662            | 595                                     |
| 169                             | 4,834             | 1,127          | 394                                     |
| 461                             | 8,861             | 1,789          | 989                                     |

## Investment Analysis:

| Cash and liquid assets<br>£'000 | Equities<br>£'000 | Bonds<br>£'000 | Property and other investments<br>£'000 |
|---------------------------------|-------------------|----------------|---|
| 532                             | 4,292             | -              | 1,042                                   |
| 542                             | 5,004             | 617            | 402                                     |
| 1,074                           | 9,296             | 617            | 1,444                                   |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

7.2 The restricted fixed asset funds at March 2022 and 2023 comprise funds held by Dunford Trust.

|   | Cost<br>£'000 | Market value<br>£'000 |
|---|---------------|-----------------------|
| Value at 31 March 2021                    | 8             | 34                    |
| Unrealised gains (losses) during the year | -             | 4                     |
| Value at 31 March 2022                    | 8             | 38                    |
| Unrealised gains (losses) during the year | -             | -                     |
| Value at 31 March 2023                    | 8             | 38                    |

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

|                               | March 2023<br>£'000 | March 2022<br>£'000 |
|-------------------------------|---------------------|---------------------|
| COIF Charity Investment Funds | 38                  | 38                  |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 8. INVESTMENT IN SUBSIDIARIES

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

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

A summary of its trading results is shown below:

|  | 31 March 2023               | 31 March 2022               |
|--|-----------------------------|-----------------------------|
|  | YMCA Retail Limited<br>£000 | YMCA Retail Limited<br>£000 |
| Turnover   | 74                          | 50                          |
| Cost of sales  | (41)                        | (28)                        |
| GROSS PROFIT   | <u>33</u>                   | <u>22</u>                   |
| Administration costs   | (1)                         | (1)                         |
| NET PROFIT   | <u>32</u>                   | <u>21</u>                   |
| Amount Gift Aided to YMCA England and Wales Retained in subsidiary | <u>(32)</u>                 | <u>(21)</u>                 |
| Total Shareholders' Funds  | <u>1</u>                    | <u>1</u>                    |

During the year the charity had the following transactions with its subsidiary trading company:

|                             | 31 March 2023 | 31 March 2022 |
|-----------------------------|---------------|---------------|
|                             | £000          | £000          |
| Reimbursement of items paid | 38            | 28            |
| Gift aid of profits         | <u>32</u>     | <u>21</u>     |
|                             | <u>70</u>     | <u>49</u>     |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 9. STOCKS

|                          | 31 March 2023  | 31 March 2022   |
|--------------------------|----------------|-----------------|
|                          | GROUP<br>£'000 | PARENT<br>£'000 |
| Donated goods for resale | <u>295</u>     | <u>235</u>      |

## 10. DEBTORS

|                                | 31 March 2023  | 31 March 2022   |
|--------------------------------|----------------|-----------------|
|                                | GROUP<br>£'000 | PARENT<br>£'000 |
| Other debtors                  |                |                 |
| Due within one year            | 442            | 440             |
| Due after one year (note 10.1) | 897            | 897             |
| Other taxes                    | 317            | 317             |
| Prepayments and accrued income | 1,868          | 1,868           |
| Due from Group Undertakings    | -              | 67              |
|                                | <u>3,524</u>   | <u>3,589</u>    |

## 10.1 YMCA England &amp; Wales had outstanding loans to:

|   | 31 March 2023 |            |                 | 31 March 2022 |            |              |          |
|---|---------------|------------|-----------------|---------------|------------|--------------|----------|
|   | Repayment     |            |                 | Repayment     |            |              |          |
|   | Amount        | within 12  | After 12 months | Amount        | within 12  | After 12     | Interest |
|   | £'000         | months     | £'000           | £'000         | months     | months       | £'000    |
| YMCA Thames Gateway                             | 1,048         | 216        | 832             | 1,061         | 108        | 953          | 2.5%     |
| YMCA Swansea                                    | 29            | 29         | -               | 63            | 36         | 27           | base +3% |
| European Alliance of YMCAs (for YMCA 175 event) | 62            | 21         | 41              | 82            | 21         | 61           | base +3% |
| YMCA Port Talbot                                | 50            | 26         | 24              | -             | -          | -            | base +3% |
|   | <u>1,189</u>  | <u>292</u> | <u>897</u>      | <u>1,206</u>  | <u>165</u> | <u>1,041</u> |          |

During the year ended March 2015, YMCA England & Wales sold the freehold of the housing scheme at Dartford to the local association at open market value for social housing, the consideration being received by a 20 year interest bearing loan at 2.5%.

The loans to YMCA Swansea (£95k) and European Alliance of YMCAs (£120k) were made during the year ended March 2020 and YMCA Port Talbot (£50k) during the year ended March 2023. All are repayable by instalments.

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

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

|   | 31 March 2023  |                 | 31 March 2022  |                 |
|---|----------------|-----------------|----------------|-----------------|
|   | GROUP<br>£'000 | PARENT<br>£'000 | GROUP<br>£'000 | PARENT<br>£'000 |
| Pension scheme obligations due within one year (note 13.1)      | 1,030          | 1,030           | 1,000          | 1,000           |
| Taxes & Social Security Costs                                   | 185            | 183             | 170            | 168             |
| Other Creditors   | 2,098          | 2,098           | 1,717          | 1,717           |
| Recycled social housing grant (note 11.1)                       | 175            | 175             | 172            | 172             |
| Due to Group Undertakings                                       | -              | -               | -              | 13              |
| Provisions for liabilities payable within 12 months (note 12.1) | 304            | 304             | 252            | 252             |
| Accruals and deferred income                                    | 1,128          | 1,123           | 2,121          | 2,120           |
|   | <u>4,920</u>   | <u>4,913</u>    | <u>5,432</u>   | <u>5,442</u>    |

Deferred income consists of grants received in advance.

## 11.1 Recycled social housing grant

|  | £'000      | £'000      |
|--|------------|------------|
| Balance at 1 April 2022 and 31 March 2023  | <u>175</u> | <u>172</u> |
| In May 2023 agreement was reached with Homes England for the recycled grant (plus interest) to be used by a local YMCA |            |            |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

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

## 12.1 PROVISION FOR LIABILITIES

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

|   | Balance at<br>1 April 2022<br>£'000 | Additional<br>Provisions<br>£'000 | Utilised in<br>the year<br>£'000 | Balance at<br>31 March 2023<br>£'000 | Balance at<br>1 April 2021<br>£'000 | Additional<br>Provisions<br>£'000 | Utilised in<br>the year<br>£'000 | Balance at<br>31 March 2022<br>£'000 |
|---|-------------------------------------|-----------------------------------|----------------------------------|--------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|--------------------------------------|
| Lease dilapidations - retail (see note 3.3) | 1,007                               | 96                                | (183)                            | 920                                  | 971                                 | 99                                | (63)                             | 1,007                                |
| Lease dilapidations - non-retail            | 100                                 | -                                 | -                                | 100                                  | 100                                 | -                                 | -                                | 100                                  |
| Allocate rent-free period over lease term   | 5                                   | 219                               | (105)                            | 119                                  | 21                                  | -                                 | (16)                             | 5                                    |
|   | <u>1,112</u>                        | <u>315</u>                        | <u>(288)</u>                     | <u>1,139</u>                         | <u>1,092</u>                        | <u>99</u>                         | <u>(79)</u>                      | <u>1,112</u>                         |

|                     | Payable                     |                              |                               |                              |                                      | TOTAL<br>2023<br>£'000 | TOTAL<br>2022<br>£'000 |
|---------------------|-----------------------------|------------------------------|-------------------------------|------------------------------|--------------------------------------|------------------------|------------------------|
|                     | Within<br>one year<br>£'000 | One to<br>two years<br>£'000 | Two to<br>five years<br>£'000 | After five<br>years<br>£'000 | After more than<br>one year<br>£'000 |                        |                        |
| As at 31 March 2023 | 304                         | 103                          | 499                           | 233                          | 835                                  | 1,139                  |                        |
| As at 31 March 2022 | 252                         | 100                          | 459                           | 301                          | 860                                  |                        | 1,112                  |



## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 13. PENSION COMMITMENT

13.1 YMCA England & Wales participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA England & Wales and at the yearend these were invested in the Mercer Dynamic De-risking Solution, 62% matching portfolio and 38% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed discount rates before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, which represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 for the YMCA Pension Plan as a whole showed that it had a deficit of £39 million. YMCA England and Wales has been advised that it will need to make monthly contributions of £86k from 1 May 2023. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 3% (2022: 3%). The current recovery period is 6 years commencing 1st May 2023.

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

|                     | Repayable                   |                              |                               |                              |                                      | TOTAL<br>2023<br>£'000 | TOTAL<br>2022<br>£'000 |
|---------------------|-----------------------------|------------------------------|-------------------------------|------------------------------|--------------------------------------|------------------------|------------------------|
|                     | Within<br>one year<br>£'000 | One to<br>two years<br>£'000 | Two to<br>five years<br>£'000 | After five<br>years<br>£'000 | After more than<br>one year<br>£'000 |                        |                        |
| As at 31 March 2023 | 1,030                       | 1,030                        | 3,092                         | 1,031                        | 5,153                                | 6,183                  |                        |
| As at 31 March 2022 | 1,000                       | 1,000                        | 3,002                         | 2,001                        | 6,003                                |                        | 7,003                  |

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

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

Total pension contributions for the years ended 31 March 2022 and 2023 are shown in note 3.5.

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 14. RESTRICTED FUNDS

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

|   | Balance at<br>1 April 2021<br>£'000 | Year ended March 2022 |                                       |                      |                    | Balance at<br>31 March 2022<br>£'000 | Year ended March 2023 |                                       |                      |                    | Balance at<br>31 March 2023<br>£'000 |
|---|-------------------------------------|-----------------------|---------------------------------------|----------------------|--------------------|--------------------------------------|-----------------------|---------------------------------------|----------------------|--------------------|--------------------------------------|
|   |                                     | Income<br>£'000       | Investment<br>gains (losses)<br>£'000 | Expenditure<br>£'000 | Transfers<br>£'000 |                                      | Income<br>£'000       | Investment<br>gains (losses)<br>£'000 | Expenditure<br>£'000 | Transfers<br>£'000 |                                      |
| Restricted income funds:                            |                                     |                       |                                       |                      |                    |                                      |                       |                                       |                      |                    |                                      |
| Amounts raised for local YMCAs                      | 110                                 | 93                    | -                                     | (87)                 | -                  | 116                                  | 30                    | -                                     | (19)                 | -                  | 127                                  |
| Emergency Response Fund                             | 114                                 | 1                     | -                                     | (21)                 | -                  | 94                                   | -                     | -                                     | (2)                  | -                  | 92                                   |
| Ukraine Emergency Appeal                            | -                                   | 11                    | -                                     | (30)                 | 30                 | 11                                   | 210                   | -                                     | (202)                | -                  | 19                                   |
| Amounts raised for YMCA England & Wales activities: |                                     |                       |                                       |                      |                    |                                      |                       |                                       |                      |                    |                                      |
| - Ys Girls + Girls Move                             | 100                                 | 674                   | -                                     | (727)                | -                  | 47                                   | 578                   | -                                     | (688)                | 63                 | -                                    |
| - Changing Futures (including CAST)                 | 293                                 | 151                   | -                                     | (8)                  | -                  | 436                                  | 6                     | -                                     | -                    | (52)               | 390                                  |
| - YMCA London CAN Youth Hub Project                 | -                                   | -                     | -                                     | -                    | -                  | -                                    | 107                   | -                                     | (105)                | -                  | 2                                    |
| - Homelessness                                      | 44                                  | 10                    | -                                     | (33)                 | -                  | 21                                   | 20                    | -                                     | (21)                 | -                  | 20                                   |
| - Chaplaincy  | -                                   | -                     | -                                     | -                    | -                  | -                                    | 20                    | -                                     | (20)                 | -                  | -                                    |
| - Programme Development                             | 15                                  | -                     | -                                     | -                    | -                  | 15                                   | -                     | -                                     | (15)                 | -                  | -                                    |
| - Better Futures                                    | 11                                  | -                     | -                                     | -                    | -                  | 11                                   | -                     | -                                     | -                    | (11)               | -                                    |
| - Risk training                                     | 5                                   | -                     | -                                     | (1)                  | -                  | 4                                    | -                     | -                                     | -                    | -                  | 4                                    |
| Movement Trust Fund                                 | -                                   | 2                     | -                                     | (1)                  | -                  | 1                                    | 1                     | -                                     | (1)                  | -                  | 1                                    |
| Hartwoodside Award                                  | 45                                  | -                     | -                                     | -                    | -                  | 45                                   | 1                     | -                                     | -                    | -                  | 46                                   |
| Douglas Wood Charity                                | 193                                 | 1                     | -                                     | (6)                  | -                  | 188                                  | 4                     | -                                     | (1)                  | -                  | 191                                  |
| Other Trust & Association Funds                     | 43                                  | -                     | -                                     | -                    | -                  | 43                                   | 2                     | -                                     | -                    | -                  | 45                                   |
| NW Region Trust Fund                                | 92                                  | 1                     | -                                     | -                    | -                  | 93                                   | 1                     | -                                     | -                    | -                  | 94                                   |
| Dunford House                                       | 1,009                               | -                     | 4                                     | (16)                 | (270)              | 727                                  | 19                    | (1)                                   | (159)                | -                  | 586                                  |
| <b>Total Restricted Funds</b>                       | <b>2,074</b>                        | <b>944</b>            | <b>4</b>                              | <b>(930)</b>         | <b>(240)</b>       | <b>1,852</b>                         | <b>999</b>            | <b>(1)</b>                            | <b>(1,233)</b>       | <b>-</b>           | <b>1,617</b>                         |

**National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements** | Year ended 31 March 2023

YMCA England & Wales raises funds on behalf of member YMCAs and for YMCA England & Wales activities which can only be used for that specific purpose. The Emergency Response Fund was launched in response to the Covid pandemic to make grants to local YMCAs in co-ordination with the Movement Trust Fund, the Douglas Wood Charity and the regional trust funds.

The Ukraine Emergency Appeal was launched in March 2022 with a £30k donation from YMCA England & Wales. Responses from the international YMCA network are being co-ordinated by the European Alliance of YMCAs. Further income was received from local YMCAs and individual donors, a total of £232k has been sent to the European YMCA for relief work in Ukraine and surrounding areas.

The Sidley project was launched in the year in co-ordination with YMCA London Central and North to support their youth work project.

The Movement Trust Fund is established under the trusteeship of the National Council of YMCAs, with the purpose of assisting member YMCAs with grants and loans. Grants are also made by the Hartwoodside Award (which makes annual bursaries to young people in need, particularly disabled persons) and the Douglas Wood charity (which makes grants for the promotion of the education and training of young men in the science and practise on farming, horticulture or any similar profession or trade). The Trust & Association Funds represent mainly funds from defunct Associations. Income is either remitted to a specific activity or accumulated. The North West Region Trust Fund is administered on behalf of this regional trust fund.

The amount for Dunford House is the accumulated profits from the conference centre. In view of the disappointing performance, the Board decided to close this centre and activities ceased on 26 March 2018. The property was sold in August 2020, with the proceeds (net of costs) added to the restricted fund. The Board are considering options for the use of this fund which can only be used for "educational purposes of the National Council". As this activity has ceased it bought out of the YMCA Pension Plan during the previous year at a total cost of £270k. Funds have been allocated for youth focused activities in the local area.

**National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements** | Year ended 31 March 2023

## 15. UNRESTRICTED FUNDS

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

|   | 31 March 2023<br>£'000 | 31 March 2022<br>£'000 |
|---|------------------------|------------------------|
| Unrestricted funds                        | 6,828                  | 6,089                  |
| Less allocated to the following purposes: |                        |                        |
| Fixed assets                              | (662)                  | (541)                  |
| Long-term loan to associations            | (897)                  | (1,041)                |
| 'FREE RESERVES'                           | <u>5,269</u>           | <u>4,507</u>           |

## 16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund Balances are represented by:

|                        | UNRESTRICTED<br>£'000 | RESTRICTED<br>£'000 | TOTAL<br>MARCH 2023<br>£'000 | UNRESTRICTED<br>£'000 | RESTRICTED<br>£'000 | TOTAL<br>MARCH 2022<br>£'000 |
|------------------------|-----------------------|---------------------|------------------------------|-----------------------|---------------------|------------------------------|
| Tangible Fixed Assets: |                       |                     |                              |                       |                     |                              |
| Other fixed assets     | 662                   | -                   | 662                          | 541                   | -                   | 541                          |
| Investments            | 12,100                | 38                  | <u>12,138</u>                | 12,431                | 38                  | <u>12,469</u>                |
| Total fixed assets     |                       |                     | 12,800                       |                       |                     | 13,010                       |
| Net Current Assets     | 54                    | 1,579               | 1,633                        | (20)                  | 1,814               | 1,794                        |
| Long Term Liabilities  | (5,988)               | -                   | (5,988)                      | (6,863)               | -                   | (6,863)                      |
|                        | <u>6,828</u>          | <u>1,617</u>        | <u>8,445</u>                 | <u>6,089</u>          | <u>1,852</u>        | <u>7,941</u>                 |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 17. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

|   | UNRESTRICTED<br>£'000 | RESTRICTED<br>£'000 | TOTAL<br>MARCH 2023<br>£'000 | UNRESTRICTED<br>£'000 | RESTRICTED<br>£'000 | TOTAL<br>MARCH 2022<br>£'000 |
|---|-----------------------|---------------------|------------------------------|-----------------------|---------------------|------------------------------|
| Net movement in funds for the year                    | 739                   | (235)               | 504                          | 2,090                 | (222)               | 1,868                        |
| Net (increase) decrease in fixed assets               | (121)                 | -                   | (121)                        | 31                    | -                   | 31                           |
| Net movement in funds available for future activities | <u>618</u>            | <u>(235)</u>        | <u>383</u>                   | <u>2,121</u>          | <u>(222)</u>        | <u>1,899</u>                 |

## 18. LEASING COMMITMENTS

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

|                  | 31 March 2023               |                               | 31 March 2022               |                               |
|------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
|                  | Property<br>leases<br>£'000 | Plant<br>& machinery<br>£'000 | Property<br>leases<br>£'000 | Plant<br>& machinery<br>£'000 |
| Expiring:        |                             |                               |                             |                               |
| Within 12 months | 1,155                       | 173                           | 1,193                       | 44                            |
| 1 to 2 years     | 875                         | 173                           | 940                         | 23                            |
| 2 to 5 years     | 740                         | 230                           | 1,118                       | 10                            |
| After 5 years    | 161                         | -                             | 215                         | -                             |
|                  | <u>2,931</u>                | <u>576</u>                    | <u>3,466</u>                | <u>77</u>                     |

## National Council of Young Men's Christian Associations (Incorporated) | Notes to the financial statements | Year ended 31 March 2023

## 19. GRANTS RECEIVED

The following grants were received during the year:

- £268,627 Dept for Culture, Media and Sport re Y's Girls Project
- £194,618 Sport England for Girls Move
- £100,000 Sidley Austin LLP re YMCA London CAN Youth Hub Project & Partnership
- £75,000 Joseph Wright re Y's Girls Project
- £35,000 Peacock Charitable Trust re. Y's Girls Project
- £20,000 Benefact Trust re. Chaplaincy Programme
- £5,000 Mary Homfray Trust re. Y's Girls Project

The following grants were received during the previous year:

- £653,841 Dept for Culture, Media and Sport re Y's Girls Project
- £20,250 Penny Appeal re Y's Girls Project
- £12,900 Centre for Acceleration of Social Technology re Changing Futures

## 20. CONTINGENT LIABILITIES

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

## 21. TRANSACTIONS WITH RELATED PARTIES

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

The YMCA Pension Plan operates from the offices of YMCA England & Wales which received payments of £26,518 inc VAT (2022: £25,224 inc VAT) for staff time and support services provided.

Donations of £25 were received from the trustees on normal terms (2022: £2,000).

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

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## YMCA ENGLAND & WALES

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London EC1M 6EH

National Council  
of Young Men's Christian Associations  
(Incorporated)

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



**Here for young people**  
**Here for communities**  
**Here for you**

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

FAMILY & YOUTH WORK

HEALTH & WELLBEING

HOUSING

TRAINING & EDUCATION

SUPPORT & ADVICE