

YMCA East Surrey

(A charitable company limited by guarantee)
Report and Financial Statements for the year ended
31 March 2024



Charity Registration No: 1075028
Company Registration No: 03716594
Social Housing Provider Registration No: 4854

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1.0 Legal and administrative information

Directors and Trustees: Paul Byrne - Chairman
Ross Anderson
Christine Arnold
John Guy
Louise Elliott
Heather Loxley
Richard Mantle (Resigned 3rd April 2024)
Lolo Odunsi
Grant Samuel (Resigned 3rd April 2024)
Chloe Schendel-Wilson
Ian Thomas - Treasurer
Jeff Travis

The above served as trustees during (and, unless otherwise indicated, throughout) the year ended 31 March 2024.

Chief Executive and
Company Secretary:

Ian Burks

Registered Office:

YMCA East Surrey
Princes Road
Redhill
Surrey
RH1 6JJ

Registered Charity Number:

1075028

Registered Company Number:

03716594 (England & Wales)

Social Housing Provider
Registration Number:

4854

Bankers:

Barclays Bank plc
Guildford, Gatwick & Woking Business Banking
90/92 High Street
Crawley
West Sussex RH10 1BP

Auditors:

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors:

Moore Barlow
The Oriel
Sydenham Road
Guildford
Surrey

2.0 Report of the Chief Executive

YMCA East Surrey is a vibrant charity that has been actively supporting the local community since 1870. We help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be. We are part of the oldest and largest youth charity in the world and our collective aim is to enable people to belong, contribute and thrive.

The main feature of the last year has been a continued growth of charitable activity. This is in response to an increased need within communities that are still feeling the aftershocks of Covid and resulting cost of living pressures.

In the year up to March 2024, 16,054 people benefitted from YMCA East Surrey services which was a 28% increase over the previous year's total of 12,472.

We are now two years into our five-year strategy. Main themes include expansion of YMCA activity across Surrey, becoming more sustainable (both financially and environmentally) and protecting and enhancing our volunteer ethos. We are also looking to develop greater diversity amongst our governance and staff teams to mirror the inclusive nature of our beneficiaries. With three years left to run we have already achieved 32 of the 62 strategic objectives within the plan.

The YMCA divides its work into three main directorates which are Children and Young People, Housing, and Health and Wellbeing.

Children and Young People

Services within Children and Young People (CYP) account for 58% of our turnover.

Need amongst young people has increased significantly over the past twelve months and this has been exacerbated by cost-of-living issues and the well documented pressures of social media. In response to this the YMCA has expanded its charitable work in many areas to help young people build on their strengths and develop greater resilience and independence.

One of the most notable successes of last year was winning a new contract with Surrey County Council (SCC) worth £1.28m to deliver Family Support across Reigate and Banstead and Mole Valley. Over 800 families will benefit from this service which will be delivered by 23 Family Support practitioners working from five Family Centres, three of which are on school sites leased to the YMCA from SCC.

The Family Centre programme will complement existing YMCA services such as short breaks for children with disabilities, emotional wellbeing and mental health services, childcare and youth work.

The YMCA has a long tradition of quality youth work and over the past few years, with help from Reigate and Banstead Borough Council and Surrey County Council, we have managed to build up a thriving programme of open access free provision in local youth centres attracting 1,832 young people. This is despite the well documented national reductions in local authority funding for youth services and the scarcity of other financial support.

The success and value of this work is widely recognised and has led to an extension of our lottery funding as well as grants from the Million Hours Fund and other charitable trusts. On top of this our Challenge fundraisers and a grant from the Home Office Safer Streets programme have enabled us to commission an innovative new Y Bus. This vehicle will transport our detached youth work team into more isolated areas of East Surrey where young people most at risk can benefit from fun activities, informal education and the listening ear of qualified youth workers.

Youth work provides vital intervention to support young people build the resilience they need to deal with future challenges in their lives. Sadly though, many were impacted heavily by lockdown and are struggling under the pressures of modern life. To help these young people the YMCA offers an Emotional Wellbeing and Mental Health Service staffed by mental health practitioners who offer focussed support to prevent and deal with mental health issues. Last year this service worked with 2,680 referrals and offered 14,976 hours of counselling, specialised group work and school-based services. Interventions were largely very positive, for example 92% of goal-based outcomes were achieved for clients accessing the Community Wellbeing Team and 75% of those attending counselling or other talking therapies said their emotional wellbeing had improved and they were better able to manage future challenges since having sessions.

Other achievements included winning a two-year grant from the NHS Mental Health Improvement Fund (MHIF) via the Surrey Wellbeing Partnership to employ Primary Schools Practitioners in the four boroughs and districts to the East of the county.

2.0 Report of the Chief Executive (cont.)

The numbers of children with disabilities and additional needs in Surrey is growing and the YMCA provided vital respite care for 429 families through its Short Breaks, Face to Face and Lifeworks programmes. These services offer seamless support across many years providing stability to families as they navigate through the challenges that growing up with disability can bring. Last year the YMCA worked closely with SCC and West Sussex County Council (WSCC) to secure additional support from the Dept of Education to enhance its short breaks provision and to extend provision to more families in Surrey and Sussex.

Although most YMCA services are rightly focussed on those facing disadvantage and challenge in their lives, we also offer a range of important universal activities that can bring positive benefits to all children. YMCA preschools at the Sovereign Centre and Merstham Hub along with our out of school childcare running in schools are all popular and rated (where applicable) as good by Ofsted. Our gymnastics and football programmes for children have also been well attended and help children develop skills, fitness and a sense of belonging.

Housing

The second largest directorate at YMCA East Surrey is Housing which accounts for 28% of YMCA East Surrey's turnover. Again, we have seen further expansion and development of services through 2023/24. National figures show that 136,000 young people presented as homeless last year and estimates suggest that a similar number are sofa surfing or living in unsuitable accommodation. Without a safe and affordable home, a young person cannot begin to overcome other issues or challenges in their lives. For this reason, the expansion of more YMCA Housing has been identified in our five-year strategy as a major priority.

Last year funding from Homes England and charitable trusts, combined with YMCA reserves and a small loan enabled the YMCA to purchase a property in Shrewsbury Rd, Redhill which has been converted into a high-quality shared living scheme for 6 young people. This has increased the YMCA's housing stock to 75 units and thanks to revenue funding from SCC this will mean six more young people aged between 18 and 21 will benefit from the support needed to move on to independence.

Our Next Step scheme funded by RBBC extends our housing service to older individuals and families, providing rent deposits, advice and guidance to enable access to private sector rental accommodation.

New for 2023/24 was the introduction of mandatory Ofsted registration for providers like the YMCA who house 16 – 18 year-olds. The YMCA has met Ofsted requirements and are waiting for the formal notification of our status as a registered provider. Supporting looked after children who have often experienced high levels of trauma is vital as demand has been intensified by the decision of many providers to stop housing this age group due to the higher levels of regulation.

Health and Wellbeing

Health and Wellbeing is the third directorate within the YMCA and this accounts for 12% of turnover. The aim of the department is to help people of all ages and abilities living across Surrey to embrace active living and lead healthier, more fulfilled lives. Our universal fitness service is accessible to everyone and last year the service finally shook off the effects of Covid and reached a record membership of 1,749. Attendance was also impressive with 109,021 annual visits to a mix of 50 weekly exercise classes and gym sessions which is an increase of 35% on last year's total of 80,583.

To supplement the universal fitness programme YMCA East Surrey offers a range of targeted projects that help those facing health inequalities, long term conditions or disabilities to access high quality sport and physical activity. In 2023 the YMCA took a lead role in a Surrey Heartlands funded project to bring together partners delivering Exercise Referral across 'East Surrey Place'. This was a successful programme that helped build strong links between Greenwich Leisure, Freedom Leisure and the YMCA. This resulted in greater consistency and standardisation of exercise referral enabling more people with long term conditions to access safe controlled exercise. This project has now developed into a broader physical activity initiative called Moving Together designed to promote 'Ageing Well' in the community. Other exciting developments within Health and Wellbeing include an expansion of health checks and Healthy Measures weight management.

In addition to all the great work going on within each of the YMCA's three directorates we have also seen some other exciting developments since my last report.

2.0 Report of the Chief Executive (cont.)

Challenge Fundraising

We are very fortunate to have a wonderful Challenge Committee made up from committed volunteers who devise, support and lead exciting physical activity challenges and community events, enabling local people to achieve a personal goal whilst raising awareness and funds for the YMCA's charitable work. During 23/24 910 people cycled, ran or walked a total of 38,260 miles to support the YMCA and 2% of turnover came from our events. Highlights included an Alpine cycle challenge finishing with the mighty Stelvio, a group of 40 hillwalkers climbing Ben Nevis (including 11 from our Housing schemes) and 60 cyclists pedalling from Redhill to Paris. These exciting challenges are a super way for local supporters to achieve a life affirming goal whilst at the same time transforming the lives of young people.

Old Pheasantry

After fifteen months of partnership working, the YMCA has joined forces with the Land and City Families Trust (LCFT) to secure the future of the Old Pheasantry Outdoor Residential Centre on Colley Hill in Reigate.

The property, built in 1912 and set in 5 acres of countryside adjoining the North Downs Way, houses a small special needs school as well as overnight accommodation for groups of up to 26 children and young people.

Both the YMCA and the LCFT have similar aims and on 28th June 2024 following a due diligence exercise, YMCA East Surrey and LCFT merged and the Old Pheasantry became a YMCA owned centre.

This exciting new partnership will preserve a valued facility and enable greater numbers of children and young people to benefit from residential experiences and learn about the great outdoors.

Central Services

We are very fortunate to have a highly motivated group of managers and staff within Central Services who have worked extremely hard to bring in new systems and enable front line service delivery to grow and continue to be successful. Last year saw the successful introduction of a new Housing Management system and a centralised IT application to manage our safeguarding records. This cloud-based system called My Concern enables all staff and volunteers to report safeguarding incidents and gives Designated Safeguarding Leads (DSLs) and our Safeguarding Trustee access to the reports they need to ensure children young people and adults at risk are kept safe.

To achieve positive change in communities requires a collaborative approach and we have been very fortunate to have worked with many excellent partners including Surrey Heartlands ICB, Surrey and West Sussex County Councils and several Boroughs and Districts, most notably Reigate and Banstead, Mole Valley and Tandridge. We are very grateful for the support we receive from these organisations and from our other charitable partners which enable us to achieve positive outcomes for our service users.

The financial climate for charities has been difficult with high inflation and increased utility costs impacting many third sector organisations including the YMCA. We have however managed our finances wisely. Turnover has increased by 11% and we have ended the year with a healthy surplus of £406,446.

Our main asset, as ever, is our people and despite increasing challenges around recruitment and retention we still have an excellent team of committed and skilled staff who do an amazing job transforming the lives of individuals and bringing hope to communities.

One of our strategic aims centres around enhancing our voluntary ethos and a new Volunteer Coordinator role has been created which will help us deliver more for the community and provide purpose in the lives of our volunteers.

The last year has seen some key improvements in our governance with the establishment of a new Governance and Risk Committee to work alongside our existing Finance and Resources Committee. These two committees enable trustees to offer a comprehensive range of support, guidance and scrutiny for the executive team.

2.0 Report of the Chief Executive (cont.)

Two trustees stood down in April 2024. Richard Mantle, a former Mayor at Reigate and Banstead was involved with the YMCA for 14 years and was well known for his financial expertise and business acumen. He played a key role in the development of the Sovereign Centre and started the YMCA Santa Run during his Mayoral year. Grant Samuel was with us for a relatively short time but his advice on legal matters was highly valued. Ian Thomas has indicated that he will be standing down at the AGM after 9 years of excellent service as Treasurer and Chair of the Finance and Resources Committee. His actuarial skills and logical mind have helped the YMCA successfully steer its way through the pandemic and other financial challenges.

I would like to thank all our trustees, led by our Chair Paul Byrne, for their dedicated service to the YMCA and young people in Surrey and Sussex.

We are excited about the developments and opportunities that are coming to fruition but also aware of the growing challenges facing many in our communities. The need for the YMCA is at a high point but we are confident that with our excellent team of staff, volunteers and trustees, along with our supportive partners and funders, we can continue to make a positive difference in the lives of people within East Surrey.



Ian Burks

Chief Executive

25th September 2024

3.0 Report of the Trustees (incorporating the strategic report)

The Trustees present their report and the financial statements for the YMCA East Surrey for the year ended 31 March 2024.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, the Housing Statement of Recommended Practice 2018, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008 and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

YMCA East Surrey is a Charitable Company – a company limited by guarantee and a registered charity governed by its Articles of Association.

YMCA East Surrey's **mission** is to help vulnerable children, young people and adults to belong, contribute and thrive. Our wide range of projects and activities aim to help create happy, healthy and connected communities.

All our work is for **public benefit**; we help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be by providing services that focus on those who are vulnerable, have a disability or face disadvantage. Our activities are underpinned by our charitable **objectives** which include:

- ▶ To provide recreational and leisure facilities for men and women with the object of improving their conditions of life
- ▶ To provide education to persons of all ages with the object of developing their physical, mental or spiritual capacities
- ▶ To bring relief to those who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide Social Housing, houses or hostels and any associated amenities including a counselling service and services for persons in necessitous circumstances upon terms appropriate to their means. In this part "social housing" means—
 - a) low-cost rental accommodation (defined by section 69 of the Housing and Regeneration Act 2008), and
 - b) low-cost home ownership accommodation (defined by section 70 of the Housing and Regeneration Act 2008).

As can be seen in the Report of the Chief Executive, these objectives are at the heart all of the services and activities we provide.

The Charitable Company is divided into three distinct service areas, designed and organised in order to meet these objectives: Housing, Children and Young People, and Health & Wellbeing. These are all supported by Central Services. In implementing the objectives through the activities of the service areas the Trustees continue to have had due regard to the guidance on "public benefit" of the Charity Commission.

Housing – Supporting those facing challenges in their lives with safe, secure and affordable housing – helping them to overcome barriers and achieve independent living

Our housing services support people who are in need of a home, are homeless or at risk of becoming homeless. YMCA Hillbrook House provides homeless young people aged 16-30 with safe accommodation in Redhill; each resident receives advice, support and access to a range of services.

We also have "Move On" houses in Horley, Merstham and Redhill which provide further support for those who need it. These projects provide a less intensive housing support option for those who are moving towards independence.

NextStep is a professional housing service delivered by YMCA East Surrey (with support from Reigate and Banstead Borough Council) that helps individuals and families facing homelessness to access private sector accommodation.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Children and Young People – We believe in children and young people and seek to offer inclusive services and activities that support them to make the best start in life.

Our services – Childcare and Children’s Activities, Inclusive Services, Emotional Wellbeing and Mental Health and Family and Youth Services are aimed at helping children and young people increase their confidence and self-esteem and lead fuller and more satisfying lives.

Activities include counselling, youth groups, mentoring, pre-schools, holiday clubs, after school clubs, short breaks and recreational activities together with activities designed to support parents and carers. Where charges apply, we offer free or reduced places to families who need additional support.

Health & Wellbeing – Helping people of all ages and abilities living across Surrey to embrace active living and lead healthier more fulfilled lives.

Health & Wellbeing comprises a range of activities including gym facilities, classes, weight management and exercise referrals for local people of all ages and abilities. Health & Wellbeing also provides sports facilities for community activities and disability sports.

The activities of the YMCA East Surrey are delivered through a mix of full-time and part-time staff working alongside a cadre of dedicated volunteers.

Achievements and Performance

In the Report of the Chief Executive, we set out the main achievements during the year; the Charitable Company continues to make a great difference to the lives of the people it helps and the reach of the Charitable Company’s work is continuing to expand.

The Charitable Company’s 2022-7 strategy was developed following discussions and consultations with users, volunteers, staff and Trustees. It builds on the strengths of our teams and the success of the services that we deliver, focuses on the needs of the communities that we support - expanding the reach of our services, recognises the need to maintain financial viability if we are to continue to achieve our charitable objectives and looks to address external factors impacting the environment in which we operate.

The Trustees undertook a review of the strategy in the first half of 2024 and concluded that the overall strategy remained fit for purpose. The future growth priority will be in Housing (in line with the original strategy) and a focus on a commensurate investment in the recruitment and retention of high quality staff - both centrally and in service areas - to ensure we maintain capacity and quality.

Progress in 2023/24 against the seven strategic priorities for delivery by 2027 has been:

- ▶ **Expanding our geographical reach across Surrey** – we have continued to expand the geographic reach of our services, particularly in Children and Young People.
- ▶ **Growing our service offerings with a target reach of impacting more than 20,000 people annually** – we have met our strategic growth targets in all three service areas and are on track to meet the 20,000 impact target.
- ▶ **Prioritising the housing needs of young people** –we invested in the development of a further 6 social housing units during the year taking the total to 75 against a target of 100.
- ▶ **Accessing a balanced blend of income sources** – we continue to grow the range of funding and income sources and monitor our exposure to any one funding partner.
- ▶ **Championing inclusivity in all that we do** – we have made excellent progress in extending the reach of our services particularly in areas such as our work with disabled children and adults, housing supported unaccompanied asylum seekers and in exercise referral.
- ▶ **Building on our culture of voluntary action** – our Challenge programme continues to thrive and harness voluntary support and we are in the process of recruiting a volunteering co-ordinator to further build on our volunteering capability.
- ▶ **Putting systems in place to measure our impact on the environment** – whilst we have made good progress with actions to improve our overall carbon footprint – we need to do more to improve our overall understanding and measurement of this important strategic priority.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Financial review

Income and Funding

The Charitable Company's funding is a blend of income from contracts for commissioned services, grants, rents and fees with a small but important proportion being derived from donations and fundraising ("challenge") events.

In 2023/24 total income was £6,702,144 an increase of 11% - £681,680 on the previous year, reflecting the growth across all of our services – but most notably in Childcare and Children's Activities (£191,220 - 22% growth) with the full year impact of income from out of school childcare at St Joseph's school in Redhill, Inclusive Services (£159,964 – 19% growth) with the extension of our programme most notably in West Sussex and Health and Wellbeing (£194,827 – 33% growth) where gym membership has now recovered to pre-covid levels.

The Trustees gratefully acknowledge the support of all our donors and funders. More than half of the Charity's income is in the form of contracts and grants from the NHS, local authorities and other bodies. Such funding enables the Charitable Company to carry on the work in all our lines of service, in turn supporting the objectives of the Charitable Company.

The Trustees regularly monitor key performance indicators by service area, including income against budget, success in securing grants and measures of underlying activity levels such as rental voids, counselling interventions delivered and attendance levels.

When looking ahead, the Trustees are acutely aware of the cost-of-living pressures on our service users, the increasing competition for grants and the many demands on Government and Local Authority funding. Whilst we continue to be successful in securing new sources of multi-year funding we have to keep pricing at a viable level to ensure longevity and a sustainable future for the Charitable Company. The annual budgeting process is rigorous and seeks to ensure that underlying income drivers are realistic and attainable.

Expenditure

Operating expenditure for the 2023/24 financial year was £6,296,130 an increase of 13% - £708,119 on the previous year. Staff costs at £4,212,650 remain our main area of expenditure, accounting for 67% of total expenditure (2023: £3,723,561 – 67%) and have generally increased in line with service delivery growth as well as inflation.

Trustees are cognisant of the need to preserve the competitive positioning of our staff reward and avoid excessive attrition. Inflationary increases have been built into the 2024/25 budget together with the full year impact of any increases in headcount for newly contracted services.

Gas and electricity costs have nearly doubled from the previous year now accounting for 5% of overall expenditure against 3% in 2022/23. The Trustees are very focused on opportunities to reduce our overall energy costs whether through consumption savings or contract management.

The Trustees regularly monitor key performance indicators for expenditure by service area including costs against budget, headcount, payroll run rates as well as large or unusual non-staff costs.

Overall results for the financial year

The Charitable Company's activities produced a total surplus of £406,446 for the 2023/24 financial year (2023: £375,533) which consisted of a surplus on unrestricted reserves of £428,529 (2023: £382,260) and a deficit of £22,083 (2023: deficit £6,727) on restricted reserves. The deficit on restricted reserves is in part reflective of these funds largely relating to funding premises which do not generate income and in part reflects the low margins on commissioned services. The surplus on unrestricted reserves includes the continuing contribution of "challenge" events and also includes a gain on revaluation of investments of £74,255 (2023: loss £5,481).

The Charitable Company achieved an operating surplus of £233,880 (2023: £404,594) in social housing; £41,187 (2023: £103,992) in non-social housing and a surplus of £130,947 (2023: deficit £76,133) in non-housing. The operating surplus in social housing in the prior year included the impact of charitable grants received of £130,000 for "move-on" properties.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

The overall operating surplus of £406,014 (2023: £432,453) covered increasing finance costs of £110,911 (2023: £59,308) and enabled a contribution to reserves both in line with our reserves policy and as funding for future expansion in our charitable activities.

The Charitable Company has total reserves of £7,364,615 at 31 March 2024 (2023: £6,958,169) as set out in the Statement of financial position. The majority of the restricted funds of £4,239,319 (2023: £4,261,402) is attributable to the net book value of the freehold premises in Princes Road including the Inclusive Sports Facility (ISF), Lynwood Road, London Road and Massetts Road "Move On" properties and the leasehold of the Sovereign Centre. There are also designated funds totalling £867,212 (2023: £744,581) largely attributable to "challenge" event funding of the Princes Road facility and other projects.

Reserves policy

The Board approved Reserves Policy requires the Charitable Company to hold sufficient unrestricted free reserves to ensure, as far as possible, the continuation of the Charitable Company's activities in the event of significant fluctuations or shortfalls in anticipated income or to cover increased operational costs in response to an emergency. The Reserves Policy has been updated to allow for a combination of a risk-based calculation of reserve requirements (based on Principle risks and other scenarios) and the need to hold as a minimum, cover for up to two months' expenditure. Adopting this policy, the Finance and Resources Committee recommended to the Board and the Board approved that the target level of unrestricted free reserves should be £1.5m (which exceeds the minimum two months' expenditure cover). In the prior year the requirement was to hold up to three months' expenditure cover (which then totalled approximately £1.56m).

The Charitable Company had unrestricted reserves of £3,125,296 as at 31 March 2024 (2023: £2,696,767). A proportion of the unrestricted reserves comprise fixed assets (net of long-term bank loans and capital grants) totalling £982,186 (2023: £697,583) which are not readily available. Excluding these fixed assets and adding back long term pension deficit contributions of £37,110 (2023: £136,545) unrestricted free reserves totalled £2,180,220 at 31 March (2023 £2,135,729). This exceeds the Board's target of £1.5m (noted above) and accordingly the balance is available to the Board to further support our charitable work.

The Reserves Policy is continuously monitored and reviewed by the Finance and Resources Committee which makes recommendations to the Board if and when action is needed to maintain the policy or consideration needs to be given to its modification.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the Charitable Company's funds are to be spent in the short term so there are few funds held for longer term investment. The Board has delegated responsibility to the Finance and Resources Committee for overseeing investment decisions and the management of investments, in line with the requirements of the Board approved Investment Policy. The objective of the Charitable Company in holding investments is to offset the risk associated with inflation that might, in the long term, erode the level of unrestricted free reserves held and to the extent possible enable some growth in those reserves to match the growth in the charity's underlying activities. Investments are managed by CCLA Investment Management Limited on behalf of the Charitable Company and are invested in the COIF Charities Investment Fund which has a risk profile compatible with the objectives of the Charitable Company.

Treasury management

The Charitable Company has significant cash and cash related balances totalling £3,198,568 (2023 £2,514,800). The majority of these balances relate to income for services received in advance and capital grants received but not yet expended. The Trustees are acutely aware of their responsibilities for the safeguarding of these assets and receive monthly cash flow forecasts to monitor the expected flows of funds. There is also a cash management policy designed to ensure that cash balances are appropriately invested with the minimum of risk.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Value for money

YMCA East Surrey is committed to achieving Value for Money (VFM) across all aspects of the Charitable Company's business. The aim is to generate surpluses in our service provision, to maintain a viable business and to fund future capital investment whilst at the same time ensuring we deliver high levels of service user satisfaction - in line with our charitable objectives. VFM is led by the Board and overseen by the Finance and Resources Committee.

The Charitable Company seeks to optimise by VFM by:

- ▶ Undertaking a rigorous annual budgeting exercise culminating in a Board approved budget with regular monitoring of variances to budget and reporting through to the Board.
- ▶ The application of a fit for purpose procurement policy together with regular monitoring of staff remuneration and turnover levels.
- ▶ Monthly monitoring of non-financial metrics that enable the impact and reach of our services to be measured and reported alongside other critical key performance indicators. Examples include occupancy levels in Housing, delivery against targets for contracted services in Children and Young People and attendance levels at classes in Health and Wellbeing.
- ▶ The use of Advisory Groups which enable service recipients, funders and other interested parties to consider and challenge overall outcomes and help shape future delivery.

Alongside compliance with the 2018 Value for Money Standard and associated Code of Practice, as a non-profit private registered provider of social housing, the Charitable Company is expected to report on certain value for money metrics to enable effective comparison across the sector. The metrics are included below:

- ▶ Metric 1 – Reinvestment %: This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The investment in properties was 21.8% (2023: 0.0%) reflecting the investment in a new Move On property at Shrewsbury Road – 2023 the investment had been in the prior year.
- ▶ Metric 2a – New supply delivered 0.0% (2023: 17.4%): This metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The Shrewsbury Road development was not completed until June 2024 and is not considered new supply in the context of this metric.
- ▶ Metric 2b – New supply delivered 0% (2023: 0%): This metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.
- ▶ Metric 3 – Gearing %: This metric looks at housing property assets and the degree of dependence on debt finance. The ratio is a negative -33.0% (2023: -30.7%) as at the balance sheet dates, the Charitable Company's cash and cash equivalents continued to be greater than debt finance.
- ▶ Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %: The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. The ratio is 570% (2023: 1,137%) which again demonstrates the Charitable Company's low reliance on finance.
- ▶ Metric 5 – Headline social housing cost per unit: The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost per unit is £13,558 (2023: £11,019). The per unit cost level of expenditure is reflective of the small size of our properties relative to other providers.
- ▶ Metric 6 – Operating margin %: The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operating margin (social housing lettings only) was 14.8% (2023: 24.8%) and the operating margin (overall) was 6.1% (2023: 7.2%). The difference between the two measures reflects the varied services provided by the Charitable Company achieving different margins. The 2022/23 social housing operating margin is distorted by charitable grants received and excluding the impact of these would be 16.8%.
- ▶ Metric 7 – Return on capital employed (ROCE) %: This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ratio is 3.5% (2023: 4.4%).

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Structure, governance and management

Legal status

The YMCA East Surrey is an incorporated Association and is affiliated to the National Council of YMCAs in England (charity number 212810).

YMCA East Surrey is a company limited by guarantee, incorporated on 19 February 1999 and registered as a charity on 9 April 1999. The company and charity registration numbers are shown on page 1. The governing documents are the Memorandum and Articles of Association. On the 21 October 2014, the Charitable Company changed its name from Reigate and Redhill YMCA to YMCA East Surrey to better reflect its expanding services across the local area. On 1 August 2017, the Charitable Company became a non-profit private registered provider of social housing (registered provider).

Trustees, as corporate members, guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up.

Code of governance

The Board is committed to delivering best practice in all aspects of governance and the Trustees have adopted the Charity Governance Code for Larger Charities. The Governance and Risk Committee is monitoring a small number of actions where current governance falls short of the code requirements.

Annual review of governance and financial viability standard

The Finance and Resources Committee undertakes an annual assessment of compliance with the standard and considers the Charitable Company to be compliant with the provisions of the standard.

Organisation

The Trustees are directors for the purpose of company law as well as trustees for the purpose of charity law. They are responsible for the governance of the Charitable Company and delegate the day-to-day management to the Chief Executive and his management team. The Board of Management meets on a quarterly basis, or more often if required.

Following a review of delegated authorities during the course of the year, the Board now delegates authority to two principal Board Committees, the Finance and Resources Committee and the Governance and Risk Committee. The chairs of these committees report to the Board quarterly.

The Finance and Resources Committee meets 9 times a year and provides oversight of management, financial and performance reporting, financial control and the audit process, human resources and remuneration, IT and infrastructure, treasury matters and reserves management. It also monitors progress with the Strategy and considers strategic initiatives.

The Governance and Risk Committee meets quarterly. It provides oversight of governance, risk management, incident reporting and management and compliance matters.

There are also Advisory Groups for each of Children and Young People, Housing and Health and Wellbeing established to enable the Charitable Company to understand the changing needs of our communities and to compare or benchmark our performance with other similar organisations. The Advisory Groups are chaired by a Trustee (who regularly reports back to the Board) and have a membership made up of trustees, management and external parties.

Appointment, induction and training of Trustees

Trustees are appointed at the AGM to serve a period of 3 years. One third of the Trustees retire each year by rotation and are eligible for re-appointment at each AGM. If it is agreed that a Trustee will serve for more than nine years, then it is subject to a particularly rigorous review and takes into account the need for progressive refreshing of the Board, and their re-appointment is explained in that year's Report of the Trustees. The Board of Management has power to co-opt additional members and fill casual vacancies. It is the aim of the Board of Management to attract new Trustees with suitable skills who themselves may be drawn from the various user groups. The aim is to have well-balanced and appropriately qualified Trustees.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

All Trustees undertake inductions and on-going training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every new Trustee is issued with a copy of a comprehensive Trustees' Handbook together with key documents including the Charitable Company's Memorandum and Articles and the latest audited Financial Statements. They are also offered induction opportunities with staff and other Trustees and are briefed about the various services provided by YMCA East Surrey.

There is also an annual Away Day where the Trustees and the Senior Management Team meet to discuss the future direction of the Charitable Company and to deliver any necessary training and updates.

Pay policy for senior staff

Key personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive, The Deputy Chief Executive and Head of Children and Young People, the Head of Housing, the Head of Finance and the Head of Central Services.

The pay of the Senior Management Team is reviewed annually and salary increases will be recommended by the Chief Executive and approved by the Finance and Resources Committee. Pay for the Chief Executive is also set annually by the Remuneration Committee.

The Trustees give their time and expertise freely and receive no reimbursement for expenses.

Details of related party transactions are set out in Note 19.

Risk management

The Charitable Company maintains a comprehensive risk management framework to ensure the effective management of all risk types that could affect the charity's ability to achieve its objectives. A formal risk register is maintained by the Senior Management Team to record and assess identified risks in accordance with the Charitable Company's Risk Policy, including an assessment of mitigating policies and procedures. The Trustees regularly review the principal risks and uncertainties that the Charitable Company faces and the overall effectiveness of the risk management framework.

This review has identified the following key risks:

- ▶ **Accidental death or life-changing accident.** The Charitable Company has in place risk assessments and health & safety measures along with stringent safeguarding policies to reduce this risk. Regular training is provided on policies and procedures – which are robustly enforced. The Charitable Company reviews accident and incident reports regularly to amend measures as necessary.
- ▶ **Abduction, loss or abuse of a child or vulnerable adult.** The Charitable Company has robust safeguarding policies, procedures, regulatory checks and training in place to mitigate this risk. A reporting and incident management system ensures the effective management of incidents and informs the development of mitigating procedures and focused training.
- ▶ **A sudden significant funding reduction.** The Charitable Company works closely with local authorities, NHS Trusts and other commissioning bodies to ensure that service delivery is aligned to both current and future requirements and to enable sensible planning for changes in those requirements. We also actively seek new sources of funding in order to dilute this risk.
- ▶ **Failure to attract and retain appropriately skilled resources.** The charity sector is seeing significant competition for resources both from within the sector and externally. The Board and Senior Management Team continuously consider what additional steps can be taken to attract and retain resources – cognisant of the cost but conscious of the detrimental impact of unfilled vacancies and raised staff turnover.
- ▶ **Inflationary pressures.** Whilst this risk is dissipating, the Board and the Senior Management Team continue to focus on managing inflationary pressures – taking steps to limit the impact of increases to the overall cost base and managing the impact from longer term contracts where income might not grow in line with underlying service delivery costs.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

- ▶ **Cyber-attack.** Cybercrime is a significant and evolving threat to the charity sector. The Charitable Company outsources its IT function and adopts cloud-based technologies to help mitigate this risk. Prevention is still critical with an ongoing focus on training and awareness and getting the basics right.
- ▶ **Balancing growth in services with matching infrastructure and support.** The Charitable Company has seen some considerable growth in services in recent years and whilst this is in line with the Strategic Plan there is potential to put a strain on underlying systems and resources. The Board and the Senior Management Team are cognisant of this and have put in place additional steps to monitor this and augment processes and people where required.

Fundraising

The Charitable Company raises funds in a number of ways as set out below:

- ▶ Applying for grant funding
- ▶ Challenge events
- ▶ Corporate and individual donations
- ▶ Provision of paid services

The Charitable Company does not use any commercial participators/professional fundraisers and all monitoring of fundraising is carried out internally. Whilst the Charitable Company has currently not signed up to any recognised fundraising standards, it has a full and detailed Fundraising Policy. This policy helps to ensure that the Charitable Company is protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and it specifically references:

- ▶ Personal information provided to the Charitable Company is kept confidential and will not be sold, rented, or given to anyone without consent
- ▶ No cold calling or door to door solicitation of the public is allowed

Plans for the future

The immediate priorities for the Charitable Company are to continue with initiatives aligned to the strategic priorities for 2027. These include:

Providing more housing for young people with the opening of our latest “move on” property at Shrewsbury Road in Redhill and prioritising further housing development in support of our strategic aim to deliver 100+ housing units by 2027.

Further development at our Princes Road site with funding from the Community Infrastructure Levy to enable us to deliver more services particularly in support of inclusive sport and to help improve our environmental footprint.

Delivery of newly contracted Family Centre and Family Resilience services for Reigate and Banstead and Mole Valley.

Initiatives focused on improving our environmental impact, leveraging the tremendous value that our volunteers bring and enhancing our approach to inclusivity.

In addition, as reported in the Chief Executive’s report, on 28th June 2024 the Charitable Company completed a merger with Land and City Family Trust (LCFT) – a charity with objectives compatible with those of YMCA East Surrey. As part of that merger, YMCA East Surrey acquired the net assets of LCFT - which included a property, the Old Pheasantry in Reigate - for nil consideration.

Trustees’ responsibilities for the Report and Financial Statements

The Trustees (who are also directors of YMCA East Surrey for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

In preparing these financial statements, the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Observe the methods and principles in the Housing Statement of Recommended Practice 2018 (SORP)
- ▶ Make judgements and estimates that are reasonable and prudent
- ▶ State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

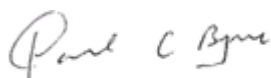
In so far as the Trustees are aware:

- ▶ There is no relevant audit information of which the Charitable Company's auditor is unaware and
- ▶ The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Crowe UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the Board on



Paul Byrne

Chairman

25th September 2024

4.0 Independent Auditor's Report to the Members of YMCA East Surrey

Opinion

We have audited the financial statements of YMCA East Surrey (the charitable company) for the year ended 31 March 2024 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2024 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2022.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 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.

Matters on which we are required to report by exception

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 charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

4.0 Independent Auditor's Report to the Members of YMCA East Surrey (Continued)

Responsibilities of the Board

As explained more fully in the Trustee's responsibilities statement set out on page 16, the Board is 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 Trustee's are responsible for assessing 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. 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 and the Charity Commission, General Data Protection Regulations, health and safety legislation and employment legislation.

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, the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with Social Housing Regulator and the Charity Commission and OFSTED inspection reports, 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.

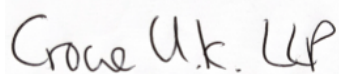
These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

4.0 Independent Auditor's Report to the Members of YMCA East Surrey (Continued)

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. This description forms part of our auditor's report.

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.

A handwritten signature in black ink that reads "Crowe U.K. LLP". The signature is written in a cursive, slightly slanted style.

Crowe U.K. LLP

Statutory Auditor
55 Ludgate Hill

London

EC4M 7JW

26.09.2024

5.0 Statement of comprehensive income for the year ended 31 March 2024

	Notes	2024 £	2023 £
Turnover	1	6,702,144	6,020,464
Operating expenditure	1	(6,296,130)	(5,588,011)
Operating surplus	2	406,014	432,453
Interest and dividends receivable	3	37,088	7,869
Interest and financing costs	4	(110,911)	(59,308)
Movement in fair value of financial instruments	10	74,255	(5,481)
Surplus and total comprehensive income for the year		406,446	375,533

All income arises from continuing activities of the charitable company. The charitable company had no recognised gains or losses other than those dealt with in the Statement of comprehensive income.

The accounting policies and notes on pages 24 to 37 form an integral part of these accounts.

6.0 Statement of changes in Reserves for the year ended 31 March 2024

	Notes	Restricted reserves £	Unrestricted reserves £	Total £
Balance at 1 April 2023	18	4,261,402	2,696,767	6,958,169
Surplus (Deficit) from statement of comprehensive income		(22,083)	428,529	406,446
Balance at 31 March 2024	18	<u>4,239,319</u>	<u>3,125,296</u>	<u>7,364,615</u>
Balance at 1 April 2022	18	4,268,129	2,314,507	6,582,636
Surplus (Deficit) from statement of comprehensive income		(6,727)	382,260	375,533
Balance at 31 March 2023	18	<u>4,261,402</u>	<u>2,696,767</u>	<u>6,958,169</u>

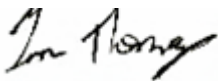
The accounting policies and notes on page 24 to 37 form an integral part of these accounts

7.0 Statement of financial position as at 31 March 2024

Company registration number: 03716594

	Notes	2024 £	2023 £
Fixed assets			
Tangible fixed assets – housing properties	7	4,577,072	3,631,941
Tangible fixed assets – other	8	3,771,685	3,775,582
Investments	9	684,276	610,021
Total fixed assets		<u>9,033,033</u>	<u>8,017,544</u>
Current assets			
Debtors	10	971,264	537,088
Cash and cash equivalents	11	3,198,568	2,514,800
Total current assets		<u>4,169,832</u>	<u>3,051,888</u>
Current liabilities			
Creditors: amounts falling due within one year	12	<u>(1,634,702)</u>	<u>(1,255,500)</u>
Net current assets		2,535,130	1,796,388
Total assets less current liabilities		<u>11,568,163</u>	<u>9,813,932</u>
Creditors: amounts falling due after more than one year	13	(4,203,549)	(2,855,763)
Total net assets		<u>7,364,615</u>	<u>6,958,169</u>
Reserves			
Restricted reserve	17	4,239,319	4,261,402
Unrestricted reserve	17	3,125,296	2,696,767
Total reserves		<u>7,364,615</u>	<u>6,958,169</u>

The financial statements on pages 20 to 37 were approved by the Board of Management and authorised for issue on 25th September 2024 and are signed on its behalf by:



Ian Thomas
Treasurer

The accounting policies and notes on pages 24 to 37 form an integral part of these accounts.

8.0 Statement of cash flows as at 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Surplus/(deficit) for the financial year		406,446	375,533
Movement in fair value of financial instruments		(74,255)	5,481
Depreciation charges		217,681	259,841
Loss on fixed asset disposals		-	-
Dividends and interest received		(37,088)	(7,869)
Interest paid		110,911	59,307
(Increase)/decrease in debtors		(434,177)	(83,588)
Increase/(decrease) in creditors		329,818	(23,328)
Increase/(decrease) in pension provision		(99,420)	(7,689)
Net cash generated from operating activities		<u>419,916</u>	<u>577,688</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,158,915)	(38,345)
Government grants received		1,210,539	150,000
Proceeds from sale of investments		-	-
Interest and dividends received		37,088	7,869
Net cash provided by investing activities		<u>88,712</u>	<u>119,524</u>
Cash flows from financing activities			
Interest paid		(110,911)	(59,307)
New secured loans		350,000	-
Repayment of borrowings		(63,949)	(49,089)
Net cash provided by/(used by) financing activities		<u>175,140</u>	<u>(108,396)</u>
Net change in cash and cash equivalents			
		683,768	588,817
Cash and cash equivalents at beginning of the year	11	<u>2,514,800</u>	<u>1,925,983</u>
Cash and cash equivalents at end of the year	11	<u>3,198,568</u>	<u>2,514,800</u>

The accounting policies and notes on pages 24 to 37 form an integral part of these accounts

9.0 Accounting policies for the year ended 31 March 2024

Legal status

YMCA East Surrey is a company limited by guarantee and is an English-registered social housing provider, charity and public benefit entity. The liability of its members is limited to £1 each in the event of a deficiency arising on the winding up of the Charity.

It is also registered as a charity and has received dispensation to omit the word "Limited" from its title.

The principal address is YMCA Sports and Community Centre, Princes Road, Redhill, Surrey, RH1 6JJ.

The Charitable Company's principal activities and nature of the Charitable Company's operations are included in the Report of the Trustees.

Basis of preparation

The financial statements have been prepared in accordance with the Housing Statement of Recommended Practice 2018, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of Companies Act 2006.

The financial statements have been prepared on the historical cost basis of accounting with the exception of investment at market value and on the going concern basis.

Judgements and key sources of estimation uncertainty are set out within note n) of the Accounting Policies.

The Charitable Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of the accounts on a going concern basis

The Charitable Company's financial activities, its current financial position and factors likely to affect its future development are set out within the Report of the Chief Executive and the Report of the Trustees. On this basis, the Board of Management has a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the Report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Principal Accounting Policies

A summary of the principal accounting policies is set out below.

a) Turnover

Turnover, excluding VAT, is recognised in the Statement of comprehensive income as follows:

- ▶ Donations are accounted for when received
- ▶ Government grants are accounted for on an accruals basis, being credited to the Statement of comprehensive income in the same period as the expenditure to which they relate
- ▶ Grants from non-government sources are recognised using the performance model. Grants are recognised as and when the associated performance conditions are met.
- ▶ Fees and subscriptions are accounted for on an accruals basis
- ▶ Social housing rental income is accounted for on an accruals basis
- ▶ Income from remaining trading activities is accounted for on an accruals basis
- ▶ Investment income is accounted for when receivable

b) Donated services and facilities

Volunteer time is not recognised, please refer to the Report of the Chief Executive for more information about their contribution.

c) Expenditure

Expenditure is included in the Statement of comprehensive income on an accruals basis, inclusive of any VAT if it cannot be recovered. Liabilities are included as provisions once the Charity has a legal or constructive obligation to make future payments.

Expenditure has been classified under the heading that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover.

d) Freehold property and depreciation

The Charity separately identifies the major components that comprise its freehold properties, and charges depreciation, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

<u>Component</u>	<u>Useful economic life</u>
Land	Infinite
Structure	100 years
Roof	70 years
Windows and doors	30 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems	30 years
Electrics	40 years
Lifts	20 years

e) Other tangible fixed assets and depreciation

Tangible assets with a value greater than £1,000 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, in the Statement of financial position. Assets below this level are treated as expenditure and are included in the Statement of comprehensive income in the year the expenditure is incurred.

Depreciation is provided on all other tangible fixed assets, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life at the following rates:

<u>Component</u>	<u>Useful economic life</u>
Leasehold buildings	Over the term of the lease
Sports equipment	4 years
Other equipment	3 to 4 years

f) Pension contributions

YMCA East Surrey participated in a multi-employer defined benefit pension plan ("the 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 East Surrey. As such the Plan has been accounted for as a defined contribution plan. YMCA East Surrey has a contractual obligation to make pension deficit payments as part of the Plan's recovery plan. This liability has been recognised, and any year on year changes are charged/credited to the Statement of Comprehensive Income. The liability is payable over a period of years and is discounted to a net present value using a discount rate based on the yield available on high quality corporate bonds as at the reporting date. In addition, YMCA East Surrey is also required to contribute to the operating expenses of the Plan. These costs are charged to the Statement of Comprehensive Income as made. YMCA East Surrey also operates two defined contribution pension schemes, The Scottish Widows Scheme for Managers and The People's Pension Scheme which is available to all current staff. The amount charged to the Statement of Comprehensive Income represents contributions payable in respect of services rendered in the period. YMCA East Surrey also contributes to the Local Government Scheme Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. This is a defined benefit scheme. Provision has been made for the required contribution levels during the year.

g) Operating leases

Rentals applicable to operating leases are charged to the Statement of comprehensive income over the period in which the cost is incurred on a straight line basis.

h) Fund Accounting

Funds held by the Charity are either:

Unrestricted general funds - are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes

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

Restricted funds - are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for specific purposes. The cost of raising and administering such funds are charged against the specific fund and set out in the notes to the financial statements.

- i) Investments
All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of the fair value for quoted investments is equivalent to the market value, using their bid price. Asset purchases are recognised at the date of trade at cost (that is their transaction value).
- j) Financial Instruments
The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.
Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.
- k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
A provision for impairment of trade debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of comprehensive income.
- l) Cash at bank
Includes cash and short-term highly liquid investments with a short maturity of three months, or less.
- m) Creditors, provisions and borrowings
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.
Public benefit concessionary loans are recognised at the amount received by the Charity.
Deferred income represents Government grants at the value received which are then released to the Statement of comprehensive income in the same period as the expenditure to which they relate.
- n) Judgements and key sources of estimation uncertainty
In the application of the Charitable Company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.
The following are deemed to be the key judgements within the financial statements:
- ▶ Tangible fixed assets – depreciation is charged on tangible fixed asset components over their estimated useful economic lives, taking into account any residual value if appropriate. The actual lives of the assets and their residual values are assessed annually and may vary depending on a number of assumptions
 - ▶ Pension benefits – the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty
 - ▶ Impairment of fixed assets – the carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less cost of disposal and the value in use, with an impairment charge being recognised whenever the carrying amount exceeds the recoverable amount.

10.0 Notes to the financial statements for the year ended 31 March 2024

Turnover, operating expenditure and operating surplus

Year ended 31 March 2024:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	328,140	(328,713)	(573)
Service charges	605,742	(606,799)	(1,057)
Supported housing grants	624,824	(391,036)	233,788
Social housing grants	20,430	(18,708)	1,722
Total social housing	1,579,136	(1,345,256)	233,880
Non-social housing	234,860	(193,673)	41,187
Total housing	1,813,996	(1,538,929)	275,067
Non-housing			
Childcare and children's activities	1,060,911	(1,042,717)	18,194
Family and youth services	506,423	(570,870)	(64,447)
Inclusive services	995,439	(957,311)	38,128
Emotional wellbeing	1,326,608	(1,253,916)	72,692
Total Children & young people	3,889,381	(3,824,814)	64,567
Health and wellbeing	782,861	(797,283)	(14,422)
Other activities	215,906	(135,104)	80,802
Total non-housing	4,888,148	(4,757,201)	130,947
Total	6,702,144	(6,296,130)	406,014

Year ended 31 March 2023:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	306,902	(272,532)	34,370
Service charges	549,283	(487,768)	61,515
Supported housing grants	623,783	(422,339)	201,444
Social housing grants	150,086	(42,821)	107,265
Total social housing	1,630,054	(1,225,460)	404,594
Non-social housing	245,627	(141,635)	103,992
Total housing	1,875,681	(1,367,095)	508,586
Non-housing			
Childcare and children's activities	869,691	(885,463)	(15,772)
Family and youth services	496,928	(505,819)	(8,891)
Inclusive services	835,475	(921,821)	(86,346)
Emotional wellbeing	1,217,011	(1,174,964)	42,047
Total Children & young people	3,419,105	(3,488,067)	(68,962)
Health and wellbeing	588,034	(628,834)	(40,800)
Other activities	137,644	(104,015)	33,629
Total non-housing	4,144,783	(4,220,916)	(76,133)
Total	6,020,464	(5,588,011)	432,453

1	Turnover, operating expenditure and operating surplus (continued)		
		2024	2023
		£	£
	Void losses: notional calculation of income lost from vacant rooms	16,357	19,515
	Number of registered accommodation units – supported housing	69	69
2	Operating surplus		
		2024	2023
		£	£
	The operating surplus is arrived at after charging:		
	Depreciation of owned assets	179,814	217,646
	Depreciation of leasehold assets	37,867	42,195
	Auditor’s Remuneration – Audit fees:	24,800	32,903
	Operating leases	24,881	36,869
3	Interest and dividends receivable		
		2024	2023
		£	£
	Dividends on listed investments	-	-
	Bank deposit interest	37,088	7,869
		37,088	7,869
4	Interest and financing costs		
		2024	2023
		£	£
	Loan interest payable	110,911	59,308
5	Staff costs		
		2024	2023
		£	£
	Wages and salaries	3,811,876	3,371,726
	Social security costs	275,280	241,621
	Pension costs	125,494	110,214
		4,212,650	3,723,561
	During the year the charity spent £1,274 on termination payments (2023: £nil).		
	The trustees received no remuneration or reimbursement of expenses during the year.		
	The full-time equivalent number of staff during the year was as follows:	2024	2023
		No.	No.
	Health and wellbeing	15	15
	Children’s services	58	60
	Housing	21	20
	Support	15	15
	Total	109	110
	The average headcount during the year was as follows:		
	Total	235	226

The number of higher-paid employees who received emoluments in the following bands was:

	2024	2023
£60,000-£70,000	2	1
£70,000-£80,000	-	-
£80,000-£90,000	-	-
£90,000-£100,000	1	1

Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the 4 (2023: four) Heads of Service. The total employee benefits of the key management personnel of the Charitable Company were:

	2024	2023
	£	£
Salaries and pension costs	344,938	323,639
Social security costs	36,475	35,848
	<u>381,413</u>	<u>359,487</u>

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

	2024	2023
	£	£
Salary	<u>92,862</u>	<u>86,786</u>

Contributions to the Scottish Widows defined contribution pension scheme on behalf of the Chief Executive were £6,500 (2022: £6,097).

6 Taxation

The Charitable Company is a registered charity and, as such, its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

7 **Tangible fixed assets – Housing properties**

	Social housing properties held for letting	Total
	£	£
Cost:		
At 1 April 2023	3,815,072	3,815,072
Additions	996,360	996,360
Disposals	-	-
At 31 March 2024	<u>4,811,432</u>	<u>4,811,432</u>
Depreciation:		
At 1 April 2023	183,131	183,131
Charge	51,229	51,229
Disposals	-	-
At 31 March 2024	<u>234,360</u>	<u>234,360</u>
Net book value:		
At 31 March 2024	<u>4,577,072</u>	<u>4,577,072</u>
At 31 March 2023	<u>3,631,941</u>	<u>3,631,941</u>

All social housing properties are freehold.

Total amounts received for year ending 31 March 2024

	2024	2023
	£	£
Capital grants	399,000	150,000
	<u>399,000</u>	<u>150,000</u>

8

Tangible fixed assets – other

	Freehold land and buildings	Leasehold land and buildings	Sports Equipment	Other Equipment	Total
	£	£	£	£	£
Cost:					
At 1 April 2023	3,676,665	904,777	430,637	825,913	5,837,992
Additions	-	-	4,795	157,760	162,555
Disposals	-	-	-	-	-
At 31 March 2024	<u>3,676,665</u>	<u>904,777</u>	<u>435,432</u>	<u>983,673</u>	<u>6,000,547</u>
Depreciation:					
At 1 April 2023	437,328	535,574	348,442	741,066	2,062,410
Charge	55,913	37,867	35,135	37,537	166,652
Disposals	-	-	-	-	-
At 31 March 2024	<u>493,241</u>	<u>573,441</u>	<u>383,577</u>	<u>778,603</u>	<u>2,228,862</u>
Net book value:					
At 31 March 2024	<u>3,183,424</u>	<u>331,336</u>	<u>51,855</u>	<u>205,070</u>	<u>3,771,685</u>
At 31 March 2023	<u>3,239,337</u>	<u>369,203</u>	<u>82,195</u>	<u>84,847</u>	<u>3,775,582</u>

9	Investments		
	Movement in fixed asset listed investments	2024	2023
		£	£
	Market value at 1 April 2023	610,021	615,502
	Additions to investments at cost	-	-
	Disposal of investments at cost	-	-
	Net gain (loss) on investments	74,255	(5,481)
	Market value at 31 March 2024	<u>684,276</u>	<u>610,021</u>
10	Debtors	2024	2023
		£	£
	Rent arrears	33,909	55,351
	Less: provision for doubtful debt	(8,003)	(8,003)
		<u>25,906</u>	<u>47,348</u>
	Prepayments	105,544	84,743
	Project funding debtors	411,979	184,130
	Other debtors	427,835	220,867
		<u>971,264</u>	<u>537,088</u>
11	Cash at bank and in hand	2024	2023
		£	£
	Deposit accounts	1,444,086	1,032,206
	Current account	1,729,999	1,466,932
	Cash	24,483	15,662
		<u>3,198,568</u>	<u>2,514,800</u>
12	Creditors: amounts falling due within one year	2024	2023
		£	£
	Bank loans (Note 14)	78,484	57,530
	Trade creditors	243,447	149,063
	Accruals	177,992	150,963
	Income received in advance	939,108	727,054
	Taxation and social security	65,016	55,522
	Other creditors	80,511	65,239
	Deferred capital grants (Note 15)	33,588	33,588
	Accrued pension deficit contributions (Note 16)	16,556	16,541
		<u>1,634,702</u>	<u>1,255,500</u>

13 **Creditors: amounts falling due after more than one year**

	2024	2023
	£	£
Bank and other loans (Note 14)	1,608,261	1,343,164
Deferred capital grants (Note 15)	2,558,178	1,376,054
Accrued pension deficit contributions (Note 16)	37,110	136,545
	<u>4,203,549</u>	<u>2,855,763</u>

14 **Bank and other loans**

	2024	2023
	£	£
Secured:		
In one year or less	78,484	57,530
In more than one year, but not more than two years	84,895	61,058
In more than two years, but not more than five years	292,631	210,038
In more than five years	1,230,735	1,072,068
	<u>1,686,745</u>	<u>1,400,694</u>

£152,250 was borrowed from Barclays in 2014 at a fixed rate of 5.73% until 30 June 2021 and thereafter at a variable rate of 3.25% over the bank's base rate and is repayable over a 15-year term. This loan is secured by a legal charge over the property at 57 Lynwood Road, Redhill.

£989,340 was borrowed from Barclays in 2017 at a rate of 1.6% over the bank's base rate with a 25-year repayment profile. In November 2022 £812,000 was re-financed with Barclays at a rate of 2.10% over the bank's base rate. The loan has a 15-year repayment profile. This loan is secured by a legal charge over the property on Brighton Road, Redhill and a floating charge over the company assets.

£150,000 was borrowed from the Methodist Church in March 2019, this is a public benefit concessionary loan and is interest-free and repayable at the end of the 15-year term. The loan is secured by a legal charge over the property at 200 London Road, Merstham

£400,000 was borrowed from Barclays in 2021 at a rate of 2.5% over the bank's base rate. The loan has a 15-year repayment. The loan is secured by a legal charge over the property on Massetts Road, Horley.

£350,000 was borrowed from Barclays in August 2023 at a rate of 2.250% over the bank's base rate. The loan has a 15 year repayment profile This loan is secured by a legal charge over the property on Shrewsbury Road, Redhill

15 **Deferred Capital Grants**

	Grant at cost	Amortisation	Total net grant
	£	£	£
As at 1 April 2023	1,465,535	(55,893)	1,409,642
Grants received in year	1,219,539	-	1,219,539
Amortisation	-	(28,415)	(28,415)
As At 31 March 2024	<u>2,676,074</u>	<u>(84,308)</u>	<u>2,591,766</u>

Accrued pension deficit contributions

YMCA East Surrey participated in a multi-employer contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. 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 of 1 May 2011.

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 East Surrey. As such the Plan has been accounted for as a defined contribution plan. The assets of the YMCA Pension Plan are held separately from those of YMCA East Surrey.

The most recent completed three year valuation was as at 1 May 2023. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets of 4.56%, the increase in pensions in payment of 3.18% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24. years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.2m and the actuarial value of the liabilities £112.4m, resulting in a plan deficit of £9.2m. This is a reduction compared to the previous valuation as at 1 May 2020 which showed a deficit of £38.7m.

The improved funding levels have resulted in a reduction to the deficit reduction contributions required from the individual YMCAs. The YMCA East Surrey has been advised that, it will need to make annual contributions of £19,186 from 1 May 2024 through until 30 April 2027. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of the actual performance of the Pension Plan. The current recovery period is three years. The previous recovery plan based on the actuarial valuation as at 1 May 2020 required annual payments of £23,898 from 1 May 2023, escalating at 3% a year, for six years until 30 April 2029. The YMCA East Surrey will also have to contribute £6,115 in respect of the Plan's expenses in 2024/25. In the financial year ended 31 March 2023 the contribution to expenses was £5,648.

The accrued pension deficit contributions as at 31 March 2024 and the movements during the year are as follows:

Accrued pension deficit	2024	2023
	£	£
As at 1 April 2023 (2022)	153,086	160,774
(Credited) /charged to Statement of Comprehensive income	(75,577)	15,220
Payments made	(23,843)	(22,908)
As at 31 March 2024(2023)	<u>53,666</u>	<u>153,086</u>

These amounts are payable by year as below:

	2024	2023
	£	£
Payable by instalments		
Within one year	19,186	23,843
One to two years	19,186	24,556
Two to five years	20,785	78,184
After five years	-	58,483
Discount benefit	(5,491)	(31,983)
Total	<u>53,666</u>	<u>153,086</u>

The liability is discounted using the yield available on high quality UK corporate bonds as at the reporting date. The discount rate used is 4.93% (2023: 4.77%)

In addition, YMCA East Surrey may over time have 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 East Surrey may be called upon to pay in the future.

The YMCA East Surrey also operates two defined contribution pension schemes for the benefit of its current employees. The assets of these schemes are also held separately from the assets of the YMCA East Surrey and contributions are charged to the Statement of Comprehensive Income as they fall due.

17 **Analysis of reserves**

	At 1 April 2023	Income	Expenditure	At 31 March 2024
	£	£	£	£
Development capital	990,105	-	11,046	979,059
Sovereign capital	369,201	-	37,867	331,334
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	282,745	-	4,041	278,704
Inclusive sports facility	1,752,859	1,883	36,963	1,717,779
London Road Move-on	284,915	10,658	14,430	281,143
Hillbrook capital	67,735	-	1,964	65,771
Masset's Road	128,366	12,286	13,967	126,685
Gym equipment	32,727	-	16,364	16,363
Horley family centre	-	2,605	2,605	-
Health and wellbeing	24,153	155,013	155,013	24,153
Housing	192,918	230,045	181,403	241,560
Children's services	3,134	140,597	138,484	5,247
Youth services	5,240	255,645	212,659	48,226
Inclusive services	4,009	102,139	106,148	-
Emotional wellbeing	-	121,805	121,805	-
Total restricted reserves	4,261,402	1,032,676	1,054,759	4,239,319
Unrestricted reserves:				
- General	1,952,186	5,650,275	5,344,377	2,258,084
- Designated	744,581	130,536	7,905	867,212
Total reserves	<u>6,958,169</u>	<u>6,813,487</u>	<u>6,407,041</u>	<u>7,364,615</u>

General reserves are the 'free reserves' after allowing for all designated reserves
The designated reserves have arisen from Challenge events and represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site and supports the work of other projects within the charity.

17 Analysis of reserves cont.)

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
Development capital	1,001,151	-	11,046	990,105
Sovereign capital	411,396	-	42,195	369,201
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	286,786	-	4,041	282,745
Inclusive sports facility	1,789,355	1,883	38,379	1,752,859
London Road Move-on	288,686	11,627	15,398	284,915
Hillbrook capital	69,699	-	1,964	67,735
Massetts Road	-	141,942	13,576	128,366
Gym equipment	49,091	-	16,364	32,727
Horley family centre	-	30,241	30,241	-
Health and wellbeing	24,153	119,084	119,084	24,153
Housing	178,906	214,719	200,707	192,918
Children's services	18,987	116,869	132,722	3,134
Youth services	5,240	232,145	232,145	5,240
Inclusive services	5,159	59,038	60,188	4,009
Emotional wellbeing	16,225	128,004	144,229	-
Total restricted reserves	4,268,129	1,055,552	1,062,279	4,261,402
Unrestricted reserves:				
- General	1,678,818	4,850,504	4,577,136	1,952,186
- Designated	635,689	116,797	7,905	744,581
Total reserves	6,582,636	6,022,853	5,647,320	6,958,169

18 **Restricted reserves**

The Development capital reserve is held to provide premises for the YMCA East Surrey. It is invested in the freehold land and buildings at Princes Road occupied by YMCA and it does not generate income.

The Sovereign capital reserve holds the leasehold premises at The Sovereign Centre and does not generate income.

The Sovereign centre reserve represents funds held to maintain and enhance the facilities at the Sovereign centre and to support the YMCA's work with children and young people with disabilities.

The Lynwood Move-on holds the freehold premises at Lynwood Road and does not generate income.

The London Road Move-on holds the freehold premises at London Road and does not generate income.

The Massett's Road Move-on holds the freehold premises at Massett's Road and does not generate income.

The Inclusive sport facility reserve represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site.

Housing reserves includes bond balances totalling £82,958 (2023: £84,907) and equipment funding totalling £17,465 (2023: £17,465), for use in replacement equipment for Hillbrook House as required. There is also a further capital funding of £65,771 (2023: £69,688) in respect of funding for fixtures and fittings at Hillbrook House. The remaining balance is represented by donations and other income in relation to housing projects.

The Gym equipment reserves relates to money received in relation to new capital equipment purchased for the gym during 2021/22.

Donations and other income received in respect of Health and wellbeing, Housing, Children's services, Youth services and Horley Family Centre are shown as other restricted reserves and matched with appropriate costs.

19 **Related party transactions**

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in kind (2023: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2023: £nil).

There was nil outstanding with related parties as at 31 March 2024 (2023: £nil).

20 **Operating lease commitments**

At 31 March 2024, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2024	2023
	£	£
Within one year	24,881	36,869
Within two to five years	93,921	95,522
After five years	7,140	30,420
	<u>125,942</u>	<u>162,811</u>

21 **Capital commitments**

At the end of the year, the Charitable Company had £1,183,716 of capital commitments comprising of £233,316 remaining in relation to the development of Shrewsbury Road housing property and £950,400 in relation to the development of the site at Princes Road (which was partly funded by a grant of £737,539 from Reigate and Banstead Borough Council) (2023: £nil)

22 **Net cash**

	Current debt	Non-current debt	Cash and cash equivalents	Net cash
	£	£	£	£
At 1 April 2023	(57,530)	(1,343,164)	2,514,799	1,114,105
Movements in the year	(20,954)	(265,097)	683,769	397,718
At 31 March 2024	(78,484)	(1,608,261)	3,198,568	1,511,823
	£	£	£	£
At 1 April 2022	(859,626)	(590,158)	1,925,983	476,199
Movements in the year	802,095	(753,006)	588,816	637,906
At 31 March 2023	(57,530)	(1,343,164)	2,514,799	1,114,105