

Charity Number: 1053864  
Company Number: 03169665  
Homes England Number: H4099

**CITY YMCA, LONDON  
(A Registered Charity)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**



**CITY YMCA, LONDON**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**CITY YMCA, LONDON  
TRUSTEES REPORT**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**STATUS**

Company Limited by Guarantee and does not have a Share Capital

**SECRETARY**

Elizabeth Rees

**REGISTERED OFFICE**

167 Whitecross Street, London, EC1Y 8JT

**REGISTERED NUMBERS**

Companies House - 03169665

Homes England - H4099

Charity Commission - 1053864

**AUDITORS**

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

**SOLICITORS**

Travers Smith, 10 Snow Hill, London, EC1A 2AL

Simmons & Simmons, 1 Ropemaker Street, London, EC2Y 9SS

**BANKERS**

Allied Irish Bank (GB)

West London Business Centre, Ealing Cross, Uxbridge Road, London W5 5TH

**PRINCIPAL OFFICERS as at 30 September 2020**

<b>Chief Executive</b>	Gillian Bowen
<b>Director of Operations</b>	John Faulkner
<b>Appeal Director</b>	Chris East
<b>Director of Finance &amp; Business</b>	Emir Feisal
<b>Head of Finance and Company Secretary</b>	Elizabeth Rees

**Patrons**

The Lord Mayor of the City of London

The Bishop of London

Rt Revd Dr Rose Hudson-Wilkin, Bishop of Dover

**Vice-Presidents**

Colonel Brian Kay OBE DL

Mr Peter Ellis

**TRUSTEES (See page 3)**

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

The Trustees, who are also the Directors of the Company for the purpose of company law, present their report and financial statements of the Association for the year ended 31 March 2020.

The reference and administrative detail set out on page 1 forms part of this report.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

City YMCA, London is governed in accordance with its Memorandum and the Articles of Association.

**Company History**

London City YMCA was incorporated on 8 March 1996 and commenced trading on 1 October 1996. London City YMCA accepted a transfer of engagements from the Barbican YMCA on 1 December 2005 and at that date changed its name to City YMCA, London. The Company is limited by guarantee and does not have a share capital.

**Directors and Trustees**

The Directors, who are also Trustees for the purposes of charity law and throughout this report are referred to as Trustees, are elected at the Annual General Meeting of the Association for a period not to exceed three years or appointed by the Board of Trustees in the case of a vacancy in accordance with the Articles of Association.

The Board of Trustees, who meet at least quarterly, administer City YMCA, London. None of the Trustees has any beneficial interest in City YMCA, London. All of the Trustees are members of City YMCA, London and are liable to contribute £1 in the event of a winding up. The work is accountable through bi-monthly meetings of the Board and its Audit Committee which receive reports from the executive officers. The long term strategic plan provides guidance of the charity's key priorities and all organisation policies and procedures are regularly reviewed. The Executive Team and Management Team meet on a regular basis. Departmental and 'All Staff' meetings also take place to ensure effective communication channels are maintained.

The Board of Trustees is responsible for high level strategic decisions, monitoring performance against high level targets, ensuring statutory and regulatory compliance; ensuring financial controls are appropriate and managing risk. The Board delegate the day to day responsibilities of managing the activities of the charity to a staff team.

The Chief Executive is responsible for leading the staff team, liaising with the Board of Trustees and keeping them appropriately informed, developing strategy, ensuring targets are realised, affecting statutory and regulatory compliance, developing risk management policies and processes, ensuring day to day management is efficient and ensuring that the capacity of City YMCA, London is adequate to meet its objectives.

The longest serving one third of the Members of the Board retire each year and may offer themselves for re-election for a further three years. A Trustee requires at least two nominations to be elected or re-elected. All Trustees are subject to Disclosure and Baring Service vetting, in recognition of the fact that City YMCA, London works with vulnerable groups. New Trustees receive a formal induction including induction materials to acquaint them with City YMCA, London's policies and practices, aims, activities, management and governance.

The Remuneration Committee, comprising of Board members meets as necessary to review the Salary Grade Policy and set the organisation wide Pay Scale. All staff positions are aligned with the Grade Scale to ensure that salaries are proportionate to the level of responsibility of that role.

The Board has adopted the National Housing Federation Code of Governance 2015 as its code of governance.

Governance and Financial Viability Standard. The Board has considered its obligations under regulation and is satisfied that it complies in all material respects with the standards.

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

**Trustees:**

Mr. Robert Thompson – Chairman  
Mr. Mark Poulding-Wright – Vice Chairman  
Mr. Gary Morley – Treasurer  
Ms. Claudia Webbe (London Borough of Islington) retired 24 September 2020  
Mr. Marek Wiluszynski  
Ms. Patsy Mills  
Mr. Daniel Gerring  
Mr. Mark Henshaw  
Mr. Michael Baker (from 9 October 2020)  
Mr. Mark Thompson (from 9 October 2020)  
Mr. Paul Tredwell (from 9 October 2020)

**Network and Other Relationships**

City YMCA, London is an independent member of the YMCA movement in England & Wales.

**Subsidiary Company**

City YMCA, London has a wholly-owned dormant subsidiary, City YMCA London Trading Limited.

**Risk Management**

The Risk Management Policy and related procedures were reviewed and updated during the year including approval of the latest risk register with action plans by the Board of Trustees in accordance with the Policy. The Trustees maintained two Risk Registers – the general organisation register and a dedicated LandAid House register, with the involvement of our Employer's Agent. The Trustees confirm controls are in place to mitigate, as far as possible, the identified risks.

Key risks to the organisation include:

- Management of the timetable and cost exposure of building LandAid House, previously called Errol Street Hostel: City YMCA, London, have appointed a professional team to manage the JCT Design and Build contract, with limited items of provisional sums.
- The continuing lack of funding for Local Youth Services limits our ability to support the needs of vulnerable young people. City YMCA, London, continues to manage local relationships with the statutory providers and to pursue new opportunities that are under development.
- A major incident arising from a safeguarding breach. City YMCA, London continues to regularly review its Policies and Procedures and refresh our training for staff around Safeguarding, Professional Boundaries, Fire, First Aid and Health & Safety to ensure that we continue to offer a secure and safe place for vulnerable young people.
- **Impact of Coronavirus (COVID-19)**

The accounts have been approved by the Trustees at a time when there is significant uncertainty as a result of the emergence and international spread of the coronavirus (COVID-19). With the introduction of related virus control measures across the world since early March 2020, and in common with most other organisations, City YMCA, London has been forced to curtail its activities. This led to the cessation of face-to-face youth projects and we took the opportunity to review and implement the delivery of some youth programmes via virtual platforms. Our housing operations were broadly less affected. Our construction team were required to close works on the LandAid House development on 23 March 2020.

City YMCA, London closed its Head Office on 24 March 2020, relocated administrative activities to working from home and utilised the UK government Coronavirus Job Retention Scheme to furlough identified roles. We continued to fundraise and utilise relationships with key donors and supporters in order to ensure robust continuity of services for young people and our overall business. Trustee meetings were convened via virtual platforms.

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

Overall, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available the Board consider it is appropriate for the going concern basis to be adopted for these accounts.

### **Fundraising Statement**

City YMCA, London is registered with the Fundraising Regulator and all fundraising activities continue to be carried out under their Fundraising Code. We continue to adhere to the GDPR regulations in our ongoing communications about our work. We have received no complaints about our fundraising activities or about our use of personal data.

Fundraising activities are regularly reviewed by the Board, in line with our reporting procedures. All our fundraising work has been carried out by our Trustees or staff and our Appeal Director is a member of the Institute of Fundraising.

We partner with a very small number of donors and never ask an individual for a donation more than twice in any financial year.

### **AIMS, OBJECTIVES AND ACTIVITIES**

#### **Objects**

The history of the YMCA has its roots in a Christian basis, having been founded in London in 1844. The objects of City YMCA, London, as defined in paragraph 4 of the Memorandum include:

- To provide, improve and manage (whether directly or in association with others) housing or hostels providing residential accommodation for people (particularly young people) in necessitous circumstances upon terms appropriate to their means.
- To provide or assist in the provision, in the interest of social welfare, of facilities for recreation or other leisure time occupation for men, women and children with the object of improving their conditions of life.

#### **Overall Aim**

City YMCA, London, has a **vision** of a world where young people are equipped to create a future of their choosing.

City YMCA, London, has a **mission** to *help young people build a future* and does this by providing a range of services that support young people to build a future in which they can make informed and supported choices.

City YMCA, London, strives to provide high quality services for beneficiaries grounded in the **values** of respect for the individual and their cultural, spiritual and faith needs; encompassing diversity and inclusion; and equality of opportunities and access.

We have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing our aims and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims they have set. We provide public benefit through the services we engage in to achieve our intended outcomes.

The charity meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102).

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

## **Activities**

The principal activity of City YMCA, London is to help young people build a future, by providing a range of services including residential accommodation, centre-based and outreach youth work.

The housing portfolio (hard outcomes) seeks to:

- replenish reserves with year-on-year surpluses
- lead to a purchase and repair programme
- create sustainable housing stock
- expand into other London Boroughs
- create outposts for youth work delivery

The youth portfolio (soft outcomes) seeks to:

- enable young people to live, learn and negotiate their transition to independence
- engage young people in positive activities
- divert young people from crime
- engage young people in active citizenship
- open young people's horizons
- equip young people to effectively transition to adulthood

## **Key achievements**

City YMCA, London continues on its trajectory to ensure a **Vibrant Future** for its services and engagement with young people. At the heart of our strategy remains our intent to work in areas of housing, youth and community, where it makes sense for us to do so. We continue to utilise strategic evaluation tools to guide our decision making and we will also continue to support some of the most marginalised and vulnerable young people in London.

Our pursuit of excellence has not diminished, and we recognised that our ability to achieve our objectives within the anticipated timelines were not wholly possible. As we navigated a landscape of a coronavirus pandemic and a complex charitable fundraising environment – we are pleased that we were still able to attain, in whole or in part, our key achievements.

Within our strategic considerations of replicating our activities in line with our core capabilities, we had the opportunity to engage in due diligence for a potential merger with YMCA North London.

We specifically note some impacts via our housing service during 1 April 2019 – 31 March 2020 as follows:

- *96% residents aged 18-24*
- *98% housing occupancy*
- *87% young people had a positive move on*
- *33% young people in Employment, Education or Training*
- *39% slept rough or on a sofa the night before arriving*
- *10% suffered racial harassment, domestic violence or violent crimes*
- *28% were refugees*
- *7% were made homeless as a result of a relationship breakdown*
- *26% have family in the immediate area*
- *25% were asked to leave home by their family*

**For the year 2019-2020 we said that we would:**

### **Launch a new strategy to provide guidance of strategic priorities through until 2025**

In consultation with Trustees, Executive, Staff, Volunteers and Key Stakeholders we created a Strategic Statement entitled Vibrant Futures to provide guidance for the positioning and activities of City YMCA, London. Alongside this, we created an Operational Strategy to provide consistent direction for staff within six corporate themes.

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

**Successfully achieve practical completion of LandAid House**

We remain extremely excited about the building and the functional spaces that have been created. The journey of the LandAid House development has required focus and dedication to navigate the delays in construction and then the unforeseen circumstances and impact of COVID-19. The task of achieving this objective has therefore been extended into the 2020-2021 financial year. We look forward to being able to report on the opening of the new building in our next Annual Report.

**Evaluate and implement learning from the application of Psychologically Informed Environments at Monarch Court**

City YMCA, London has decided to embed the Psychological Informed Environments (PIE) approach within the organisation. PIE aim is to improve the psychological and emotional well-being of people accessing or working within our organisation, by adopting a strength asset based approach that focuses on the positive attributes of young people. Progress has been achieved through training and awareness raising, embedding PIE across the organisation.

**Continue a programme of Youth Work Interventions and Community Engagement in partnership with other groups and funders.**

In partnership with the City of London we continued to deliver a programme of detached youth work on the Golden Lane Estate focussed on breaking down the economic divide that young people experience. Regular youth club sessions have allowed us to build a footing within the estate's youth culture and with their parents through term-time and holiday programmes.

The 10th annual Whitecross Street Party, incorporating the Rise of the Non-Conformists Art Event, was delivered in July 2019 in partnership with Islington Council, funded through the Community Infrastructure Levy, the Local Initiatives Fund, the Community Festivals Fund and The Lottery's Awards for All. The street party was attended by over 5,000 people from across the local community, a coming together of 40 street artists painting live on the day together with local performances of song and spoken word. The party was organised with other local groups including the Prior Weston School, LSO St Lukes, Ironmonger Row Baths, Wesley's Chapel & Leysian Mission, SOAPbox and Kunstraum.

Funded by Islington Council our Nascent study sought to learn about the felt experiences of young people in and around the South of Islington. The report identified how intersectionality and social exclusion limits a young person's job opportunities. Whilst young people want jobs that are not necessarily entry level, or ones that provide good quality of life they generally feel disadvantaged in an extremely competitive market where many opportunities sit in a digital domain.

We have enabled young people to participate in the Aldgate Winter Festival, in the Culture Mile research project, Young Hackney PSHE accredited workshops and Homerton Hospital sexual health clinics.

**Maintain our engagement with the regional and international YMCA.**

City YMCA, London have continued to engage with the broader YMCA movement. On a regional level, we engage with YMCA England and Wales and within London we communicate with local YMCAs on a regular basis. Our Chief Executive is on the Executive Committee of the YMCA World Urban Network, which is a global leadership forum.

**The Year Ahead**

City YMCA, London retains the ambition to help more young people in London to build a future. Principally, we will achieve this through reshaping the standard of accommodation for homeless young people and delivering youth and community focussed initiatives.

**Throughout 2020 – 2021 we will:**

- Review the due diligence of merging with YMCA North London with the intention of completing a Merger - Transferring asset and liabilities of YMCA North London into City YMCA, London entity. This was completed on 9<sup>th</sup> October 2020 – see note 17
- Open LandAid House
- Review use of technology, including virtual platforms, for the benefit of frontline work and staff connectivity
- Maintain our engagement with the regional and international YMCA

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

**Financial Review**

The overall surplus for the year on the Statement of Financial Activities amounted to £430,374 compared to a surplus of £962,817 for the previous year.

During the year, further investment of £5,849,913 was made for the continuing redevelopment of LandAid House (LAH), formerly Errol Street hostel. This was made possible by drawdowns from our agreed loan with AIB(GB).

Our accounts again reflect the value of the lease from Cripplegate Foundation for The Drum building at a peppercorn rent, included at £30,000 for the year. Also included is the value of pro bono legal advice from Travers Smith £155,020. (2019 Total donated service Income: £131,118)

Staff costs of £109,841 (2019: £106,398) have been capitalised in accordance with FRS102 reflecting internal work on the redevelopment.

**Post Balance Sheet Event acquisition of YMCA North London**

YMCA North London was founded in 1903 and City YMCA, London in 1971. Together they span several London Local Authorities.

The Trustees of each organisation identified a number of synergies including core values, client profiles, community activities and networks. Each organisation examined the external landscape and noted areas of shared purpose. It became clear that a single YMCA entity would enable a new organisation to maximise resources, provide for efficiencies of scale and significantly increase the scope and impact of the services.

A Merger Panel made up of key Trustees and Executives was set up in 2018 to work through due diligence and process. Professional legal advice throughout was provided by Stone King LLP, Bates Wells Braithwaite with pro bono legal advice from Travers Smith.

The Merger was completed on 9 October 2020, with the transfers of all assets and liabilities of YMCA North London to City YMCA, London. The combined organisation will have an annual turnover of around £7m, with a fixed asset base of circa £34M. The merged entities have embarked on an ambitious transition programme to be realised over the next six months.

Please see full details of the Post Balance Sheet Event Acquisition of YMCA North London at Note 17.

**Value for Money**

City YMCA, London strives to deliver value for money throughout all of its activities and procurement.

We have developed a Value for Money strategy which is compliant with the Regulator of Social Housing guidance. This includes maximising income from all sources and the appropriate tendering of key contracts. We also measure value for money based upon our social impact which enables us to develop measures to assess performance and prioritise resources.

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

City YMCA, London, comply with the HCA Governance and Financial Viability Standard.

VFM Metrics	<u>2020</u>	<u>2019</u>
Reinvestment %	29.10%	48.16%
New supply delivered % - social housing	0.00%	0.00%
New supply delivered % - non-social housing	0.00%	0.00%
Gearing %	45.07%	23.10%
EBITDA-MRI interest cover %	1500%	2248%
Headline social housing cost per unit	£13,502	£12,640
Operating margin % social housing	-27.38%	-19.10%
Operating margin % overall	-30.34%	-23.48%
Return on capital employed %	-3.63%	-2.61%

**Going concern**

Financial statements have been prepared under the going concern basis as required by FRS102. The trustees have reviewed forecast results and cashflows up to December 2021 and are satisfied these support the going concern basis.

The charity is currently in ongoing discussions with HMRC around the VAT treatment of hostel income. The treatment currently adopted is in line with historical practice and is as used by a number of other YMCAs. The Trustees believe based on independent advice that this position is correct. HMRC are arguing a different treatment which the charity disputes, and which would negatively affect the charity's future results and cashflows. Whilst the trustees consider that in the unlikely event HMRC's position is upheld the Trustees are satisfied that the impact could be mitigated effectively.

**Reserves Policy**

The Balance Sheet shows Unrestricted Funds of £3,710,872 which is tied up in Fixed Assets less £355,707 Pension Reserve.

Trustees are aiming for unrestricted reserves representing between three and six-months' unrestricted expenditure. This would provide sufficient funds for the maintenance of the current activities in the event of a significant drop in funding and also provide time to allow consideration of changes in activities or new sources of funding.

During the current major redevelopment this buffer is not practical but will be reinstated once LandAid House becomes operational, with a plan to build up reserves post completion over five years.

Restricted reserves represent funds raised for the purpose of the redevelopment of LandAid House.

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

**Partners and Funders**

Our sincere thanks go to all of our partners and funders that have made the development of LandAid House possible and facilitated our ongoing work in providing accommodation to homeless young people and intervening in the lives of those young people who are most at risk.

Our appreciation goes to:

- LandAid Charitable Trust
- Travers Smith LLP
- Stephenson Harwood LLP
- John Lewis Partnership (Victoria)
- The Cripplegate Foundation
- London Marathon Charitable Trust
- Local Infrastructure Levy, Islington
- Jack Petchey Foundation
- The London Borough of Islington
- The London Borough of Hackney
- Islington Local Initiatives Fund
- The City of London Corporation
- Allied Irish Bank
- Awards for All
- Community Festivals Fund, Islington
- Greater London Authority

**Housing Delivery Partners:**

- Alone in London
- Central Care
- Centrepoint
- Circle Crisis
- Come Correct
- CPPD Counselling School
- Crisis
- DePaul UK
- EQUIP
- Growth
- Greenhouse Project
- Hackney Council (Employment & Skills)
- Ipswich Care Leavers
- London CRC
- Mana Society
- New Horizon
- No First Night Out
- No Second Night Out
- Nurture Academy
- One Housing
- Pilion Trust
- Probation Service
- Providence Row
- Shelter From The Storm
- Social Services
- St Giles Trust
- St Mungo's
- Tower Hamlets Council
- Waltham Forest Council
- Westminster Housing Option

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

**AUDITORS**

A resolution to reappoint haysmacintyre LLP will be proposed at the forthcoming Annual General Meeting.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently
- 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
- Prepare financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and legislation relating to Registered Providers of Social Housing. They are also responsible for safeguarding of assets of the Company, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors has confirmed that so far as they are aware, there is no relevant audit information of which the company's external auditors are unaware, and that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to each, that the company's independent auditors are aware of that information.

**CITY YMCA, LONDON**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

**INTERNAL CONTROL**

The Board of Trustees acknowledges its ultimate responsibility for ensuring that City YMCA, London, has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designated to give reasonable assurance with respect to:

- the reliability of financial information used within the company or for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use or disposition
- the control of key financial risks through clearly laid down authorisation levels and proper segregation of duties
- subjection of all planned new initiatives to a detailed risk assessment process, the results of which are reported to the Board of Trustees
- a fundamental review of strategic risks and costs and a consequent reassessment of the priorities and of the means of delivering services
- setting budgets and managing within resources
- using resources effectively.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the company's assets.
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- Clear responsibilities on the part of line and financial management are in place for the maintenance of good financial controls and the production of accurate and timely financial management information.
- Budgets and forecasts are prepared which allow the Board and Management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term. Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- City YMCA, London's, external auditors, review the internal financial controls and procedures and the Audit Committee monitors their reports.
- All significant new initiatives, major commitments and investments projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.

By order of the Board



Robert Thompson, Chairman



Gary Morley, Treasurer

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY YMCA, LONDON

### Opinion

We have audited the financial statements of City YMCA, London, for the year-ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2020 and of its movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

### Responsibilities of trustees for the financial statements

As explained more fully in the Directors' Responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 group or the parent 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.

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY YMCA, LONDON (continued)

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report (which includes the directors' report prepared for the purposes of company law). 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

### 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.

*Richard Weaver*  
Senior statutory auditor  
for and on behalf of Haysmacintyre LLP

10 Queen Street Place, London, EC4R 1AG

**CITY YMCA, LONDON**

**Consolidated statement of financial activities  
SOFA (incorporating a consolidated income  
and expenditure account) for the year ended  
31 March 2020**

		<b>2020</b>		<b>2019</b>
<b>Income:</b>		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Funds</b>
	Note		<b>£</b>	<b>£</b>
<b>Donations</b>			<b>£</b>	<b>£</b>
Donations		25,388	154,396	179,784
Donations - Drum building		0	30,000	30,000
Donations - legal fees		0	155,020	131,118
		<b>25,388</b>	<b>339,416</b>	<b>1,307,950</b>
<b>Charitable Activities &amp; Other Income</b>				
<b>Housing Income</b>	2	1,377,755	0	1,377,755
<b>Youth Projects income</b>		0	191,301	102,387
<b>Other Income</b>		7,450	0	32,990
<b>Liquidated Damages Construction Income</b>		738,300	0	0
		<b>2,123,505</b>	<b>191,301</b>	<b>2,314,806</b>
<b>Investment income</b>		7,878		7,878
<b>Total income</b>		<b>2,156,771</b>	<b>530,717</b>	<b>2,687,488</b>
				<b>2,799,853</b>
<b>EXPENDITURE ON:</b>				
<b>Fundraising</b>		68,991	0	68,991
<b>Costs of raising funds</b>		<b>68,991</b>	<b>0</b>	<b>73,086</b>
<b>Housing Expenditure</b>	2	1,755,027	0	1,604,731
<b>Youth Projects</b>			274,303	168,634
<b>Legal Fees pro bono</b>		155,020	0	0
<b>Expenditure on charitable activities</b>		<b>1,910,047</b>	<b>274,303</b>	<b>1,773,365</b>
<b>Total expenditure</b>		<b>1,979,038</b>	<b>274,303</b>	<b>1,846,451</b>
<b>SUB TOTAL</b>				
<b>Net income for the year before losses and gains on investments</b>		<b>177,733</b>	<b>256,414</b>	<b>434,147</b>
<b>Net losses and gains on investments</b>	8	-3,772	0	-3,772
<b>Net income for the year</b>	4	<b>173,961</b>	<b>256,414</b>	<b>430,374</b>
Transfers between funds	11	256,414	-256,414	0
<b>Other recognised gains and losses</b>		0	0	0
<b>Net movement in funds</b>		<b>430,374</b>	<b>0</b>	<b>430,374</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		2,924,792		2,924,792
<b>Total funds carried forward</b>		<b>3,355,165</b>	<b>0</b>	<b>3,355,165</b>
				<b>2,924,792</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 17-29 form part of the financial statements.

**CITY YMCA, LONDON  
BALANCE SHEET  
AS AT 31 MARCH 2020**

**Company No. 03169665**

		note	2020 £	2019 £
<b>FIXED ASSETS</b>				
<b>Tangible Assets</b>				
F/H Housing Property Errol St Hostel		6	19,630,810	13,780,897
L/H Housing property Monarch court		6	1,070,977	1,204,897
Leasehold Improvements		6	31,250	37,500
Other fixed assets		7	88,662	33,568
Investments		8	124,849	128,620
<b>TOTAL FIXED ASSETS</b>			<b>20,946,548</b>	<b>15,185,482</b>
<b>CURRENT ASSETS</b>				
Debtors	<b>&lt; 1 year</b>	9	97,921	197,318
Short Term Deposits			32,189	27,696
Cash at bank and in hand			784,865	1,235,571
			914,975	1,460,585
<b>Liabilities:</b>				
Creditors: Amounts falling due within one year		10	-2,378,702	-3,005,684
GLA housing grant MC			-86,160	-86,160
GLA housing grant ES			0	-31,248
Liquidated Damages Creditor			-334,847	0
Defined benefit Pension Scheme payments		12	-53,361	-51,807
<b>NET CURRENT (LIABILITIES) / ASSETS</b>			<b>-1,938,095</b>	<b>-1,714,314</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>19,008,453</b>	<b>13,471,168</b>
Creditors: Amounts falling due over one year				
<b>GLA MC housing grant</b>	<b>&gt; 1 year</b>		-603,120	-689,280
<b>GLA LAH housing grant</b>	<b>&gt; 1 year</b>		-6,570,000	-6,538,752
<b>AIB(GB) Ltd Loan (less loan a/c)</b>			-8,177,823	-2,975,459
Net Assets/Liabilities excluding pension liability			3,657,510	3,267,677
Defined benefit pension scheme liability		12	-302,346	-342,885
<b>TOTAL NET ASSETS OR LIABILITIES</b>			<b>3,355,165</b>	<b>2,924,792</b>
<b>Funds:</b>		11		
Unrestricted				
Designated Fixed Asset Funds			3,710,872	3,319,484
Pension reserve			-355,707	-394,692
			3,355,165	2,924,792
Restricted			0	0
<b>TOTAL FUNDS</b>			<b>3,355,165</b>	<b>2,924,792</b>

The notes on pages 17-29 form part of the financial statements. The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

*R.J. Thompson*

Robert Thompson, Chair



Gary Morley, Treasurer

**CITY YMCA, LONDON  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £		2019 £	
<b>Cash flows from operating activities</b>				
Net cash used by operating activities (note A)	264,070		1,565,654	
<b>Cash flows from investing activities</b>				
Investment income received	7,878		9,106	
Cash paid in respect of purchase of tangible fixed assets	-5,920,519		-7,222,972	
GLA grant received	0		0	
Net cash provided by investing activities	-5,912,641		-7,213,866	
<i>Change in cash and cash equivalents in the year</i>	-446,207		-922,753	
Cash and cash equivalents at the start of the year	1,263,267		2,186,020	
<b>Cash and cash equivalents at the end of the year (note B)</b>	817,060		1,263,267	
<b>Note A: reconciliation of net income/(expenditure) to net cash used by operating activities</b>				
Net income/(expenditure) for the year	430,374		962,817	
Adjustments for:				
Depreciation	155,682		154,380	
Carry amount of fixed asset disposals	0		0	
Amortisation of GLA grant	-86,160		-86,160	
Investment losses/(gains)	3,772		-9,415	
Investment income	-7,878		-9,106	
(Increase)decrease in debtors	99,397		57,761	
(Decrease)/increase in creditors	-331,117		495,357	
<b>Net provided by operating activities</b>	264,070		1,565,654	
<b>Note B: analysis of cash and cash equivalents</b>				
Short term deposits	32,189		27,696	
Cash at bank and in hand	784,865		1,235,571	
	817,054		1,263,267	
<b>Note: analysis of movement in net debt</b>				
	At the start of the year	Cash-flows	Non cash changes	At the end of the year
Cash	1,235,571	-450,706	0	784,865
Cash equivalents	27,696	4,493	0	32,189
<i>Sub-total</i>	1,263,267	-446,213	0	817,054
Loans falling due within one year				
Loans falling due after one year	-2,975,459	-5,202,364	0	-8,177,823
Total	-448,925	-6,094,790	0	-6,543,715

The notes on pages 17 – 29 form part of the financial statements.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. PRINCIPAL ACCOUNTING POLICIES**

City YMCA, London is charitable company limited by guarantee (under number 03169665, registered office as shown in the Trustees' Annual Report). It is registered as a provider of social housing with the Housing Regulator, HCA (number H40499), and as a charity with the Charity Commission in England and Wales (number 1053864). It is a Public Benefit Entity. A summary of the principal accounting policies, which are appropriate to the entity status set out above, follows:

- a. **Basis of Accounting** – The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Housing SORP 2014 (Statement of Recommended Practice for registered social housing providers), the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006, and the Accounting Direction for Private Registered Providers of Social Housing 2015. In addition, the Trustees have had regard to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (updated 2019) - (Charities SORP (FRS 102)), where it does not conflict with the Housing SORP.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Investment assets are restated at fair value at each balance sheet date. All financial instruments are considered to be basic financial instruments.

In the opinion of the Trustees, there are no areas of material estimation uncertainty in preparing the accounts which would be likely to give rise to adjustments in subsequent periods.

The accounts are prepared in £'s and rounded to the nearest pound.

- b. **Going Concern** - The Charity's business activities, its current financial position and factors likely to affect its future development are set out within the Trustees' Report. Financial statements have been prepared under the going concern basis as required by FRS102. The trustees have reviewed forecast results and cashflows up to December 2022 and are satisfied these support the going concern basis.

The charity is currently in ongoing discussions with HMRC around the VAT treatment of hostel income. The treatment currently adopted is in line with historical practice, and is as used by a number of other YMCAs. The Trustees believe based on independent advice that this position is correct. HMRC are arguing a different treatment which the charity disputes, and which would negatively affect the charity's future results and cashflows. Whilst the trustees consider that in the unlikely event HMRC's position is upheld the Trustees are satisfied that the impact could be mitigated effectively.

On this basis, the Trustee Board has a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 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.

- c. **Income** – All income is included on a receivable basis. For donations and grants this is when the criteria of entitlement and probability have been met and the income due can be estimated with reasonable accuracy.

**Capital Grants for housing properties** - are accounted for under the accruals models as set in the Housing SORP, being initially accounted for as a creditor and then amortised over the expected life of the related asset. The amortised amount for the year is shown as part of housing income (see note 2).

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**d. Fixed Assets and Depreciation –**

Tangible fixed assets, except housing properties, are stated at cost less accumulated depreciation.

Depreciation is charged on a straight line basis over the expected useful economic life of each asset at the following annual rate:

Equipment including IT equipment, fixtures and fittings – 20% per annum

**e. Property**

Property assets are stated at cost less depreciation with the exception of the LandAid House redevelopment costs. Depreciation will commence when the new hostel is completed and brought into operation.

No depreciation is provided on freehold land.

In compliance with the component accounting requirements of the Housing SORP, those components of each asset with materially different useful economic lives have been separately identified and depreciated over the following useful economic lives:

Freehold land	n/a
Existing structure, roof & windows	16 years
Bathrooms	8 years
Leasehold improvements	Up to the expected lease break-point

All building costs related to the old Errol Street property were fully depreciated in earlier years, on adoption of FRS102 a deemed cost of £nil was adopted.

- f. Social Housing Grants** – Social Housing Grants (SHG) are initially accounted for as a liability on the balance sheet and amortised to income over a period related to the life of the assets funded. The SHG related to the old Errol Street Hostel was removed from the balance sheet on transition to FRS102.
- g. Investment** – Investments are included in the Balance Sheet at fair value. Gains or losses on the investment portfolio are accounted for under the Statement of Financial Activity (SOFA)
- h. Expenditure** – Expenditure is recognised on an accruals basis.
- i. Charitable Activities** include both direct and support cost.
- j. Funds** – Any restricted or designated funds held by City YMCA, London at the year end are separately shown as such in the primary financial statements.
- i. Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of City YMCA, London. The Trustees have separately designated those funds which are tied up in the fixed assets of the charitable company or intending for to be applied to fixed assets in the immediate future.
  - ii. Restricted funds are funds where the donor has imposed restrictions as to future use.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

- k. **YMCA Pension Plan** – City YMCA, London participated in a multi-employer pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan’s actuary has advised that it is not possible to separately identify the assets and liabilities relating to City YMCA, London.

As described in note 13, City YMCA, London has a contractual obligation to make pension deficit payments over the period to April 2027, accordingly, this is shown as a liability in these accounts. In addition, City YMCA, London is required to contribute £8k pa. to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

Employees joining after 30 April 2007 are eligible to join a defined contribution scheme. City YMCA, London’s contributions to this scheme are accounted for as the expenditure falls due and there is no further liability to the scheme.

- l. **Operating Lease Rentals** – Operating lease rentals are charged to the income and expenditure account as incurred.
- m. **Donations of gifts, services and facilities** – City YMCA, London recognises donated professional services and donated facilities as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.  
In accordance with the charities SORP (FRS 102), volunteer time is not recognised.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**2. INCOME AND EXPENDITURE FROM HOUSING**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income from housing</b>		
GLA Grant amortisation	86,160	86,160
Rent receivable net of identifiable service charges	401,118	368,716
Service charges receivable	903,394	902,073
	<hr/>	<hr/>
Gross rents receivable	1,390,672	1,356,949
Rent losses from voids	-12,916	-12,582
	<hr/>	<hr/>
	1,377,756	1,344,367
Other housing income (laundry)	0	3,054
	<hr/>	<hr/>
<b>Net income from housing activities</b>	<b>1,377,756</b>	<b>1,347,421</b>
<b>Expenditure on housing activities</b>		
Management & Services	1,404,431	1,255,558
Routine maintenance	141,458	115,099
Planned maintenance	48,422	80,853
Rent losses from bad debts	12,086	19,301
Depreciation on housing property	148,630	133,920
	<hr/>	<hr/>
<b>Total expenditures on housing activities</b>	<b>1,755,027</b>	<b>1,604,731</b>
	<hr/>	<hr/>
<b>Operating (deficit) /surplus on housing activities</b>	<b>-377,270</b>	<b>-257,310</b>
	<hr/>	<hr/>
<b>Number of units in management at the end of the year</b>	<b>87</b>	<b>87</b>
	<hr/>	<hr/>

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**3. TRUSTEES AND EMPLOYEE INFORMATION**

**Trustee information**

No remuneration was paid to the Trustees during the year (2019 - £nil). Trustees are covered by Trustee Indemnity Insurance, but it is not possible to identify the cost separately. There were no related party transactions.

	2020	2019
	£	£
<b>Employee cost for the year</b>		
Salaries and wages	749,819	626,565
Social security costs	72,240	61,609
Defined benefit scheme costs (see note 12)	60,571	59,149
Defined contribution costs	39,244	33,597
	<b>921,874</b>	<b>780,920</b>
less Staff costs capitalised	(109,841)	(106,398)
	<b>812,033</b>	<b>674,552</b>

FTE number of staff receiving remuneration, excluding pension in excess of £60k	2020	2019
£60,000 -69,999	1	0
£70,000 - £79,999	0	0
£80,000 - £89,999	0	1
£90,000 -99,999	1	0

**Average head count was 23 (2019: 18 staff) and the average number of**

full time equivalent staff (including temporary and part time staff was as follows:	2020	2019
Management	3	3
Housing and support	17	13
Youth projects	2	1
Capital Fund Raiser	1	1
	<b>23</b>	<b>18</b>

The following information is given in respect of those employees defined as “directors” by the Accounting Direction for Private Providers of Social Housing. This group along with the Board members all of whom are un-remunerated are the Key Management Personnel for the purposes of FRS102.

None of the Directors received any remuneration in the current or prior year. The aggregate emoluments of the Key Management Personnel were £368,339 - 5 FTE (2019: £346,697 - 5 FTE).

The remuneration of the Chief Executive comprised salary of £93,762, ERS NI of £7,501 and pension contributions of £11,748.44. (2019 £82,634, £6,611 and £10,241 respectively).

The Chief Executive is an ordinary member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**4. NET INCOME / (EXPENDITURE)**

	2020	2019
This is stated after charging:	£	£
Auditors' remuneration (excluding VAT)	14,400	12,000
Other services from Auditors	0	2,500
Depreciation	155,561	154,501
Losses on disposal of Fixed Assets	0	0
Operating lease charges – plant and equipment	2,441	2,441

**5. TAXATION**

City YMCA, London is a registered charity and a Housing Association registered with the Housing Regulator and is, therefore, exempt from liability to taxation on its income and capital gains from charitable activities, provided income is applied for its charitable purposes.

**6. FIXED ASSETS – FREEHOLD PROPERTIES & LEASEHOLD IMPROVEMENTS**

	Beginning of year	Additions	Disposals	End of Year
Housing	£	£	£	£
<b>Freehold</b>				
Cost	13,780,897	5,849,913	0	19,630,810
Depreciation				
Net depreciated cost	13,780,897	5,849,913	0	19,630,810
<b>Net book amount</b>	<b>13,780,897</b>	<b>5,849,913</b>	<b>0</b>	<b>19,630,810</b>
<b>Leasehold</b>				
Cost	1,740,577		0	1,740,577
Depreciation	-535,680	-133,920	0	-699,600
Net depreciated cost	1,204,897	-133,920	0	1,070,977
<b>Net book amount</b>	<b>1,204,897</b>	<b>-133,920</b>	<b>0</b>	<b>1,070,977</b>
<b>Non Housing</b>				
Cost	198,652		0	198,652
Depreciation	-161,152	-6,250	0	-167,402
<b>Net book amount</b>	<b>37,500</b>	<b>-6,250</b>	<b>0</b>	<b>31,250</b>

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**7. OTHER FIXED ASSETS**

	Beginning of year £	Additions £	Disposals £	End of year £
<b>Computer equipment</b>				
Cost	13,728	5,600	0	19,328
Depreciation	-7,718	-1,467		-9,185
<b>Net book amount</b>	<b>6,010</b>	<b>4,133</b>	<b>0</b>	<b>10,143</b>
<b>Furniture and fittings</b>				
Cost	67,134	65,006		132,140
Depreciation	-39,576	-14,045		-53,621
<b>Net book amount</b>	<b>27,558</b>	<b>50,961</b>	<b>0</b>	<b>78,519</b>
<b>Total net book amount</b>	<b>33,568</b>	<b>55,094</b>	<b>0</b>	<b>88,662</b>

**8. INVESTMENTS**

	2020 £	2019 £
<b>COIF Charities Investment Fund</b>		
<b>Historical Cost</b>	76,810	76,810
<b>Market Value</b>		
Beginning of the year	128,618	119,205
Unrealised gain on investment	-3,771	9,4153
<b>End of the year</b>	<b>124,847</b>	<b>128,620</b>

Unquoted investment – In addition to the above investment, the Charity held shares in a wholly owned dormant subsidiary, which are carried at their historical cost of £2. The net assets of the subsidiary company are £2.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**9. DEBTORS**

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Rent debtors	37,885	10,280
Security for Expenses deposit	0	155,000
Other debtors and prepayments	60,036	32,038
	<b>97,921</b>	<b>197,318</b>

**10. CREDITORS**

	2020	2019
	£	£
<b>Creditors due within one year:</b>		
Trade creditors	365,553	1,013,674
Social security and other taxes	22,513	19,019
City Bridge Trust Loan	1,750,000	1,750,000
Other creditors and accruals	240,636	222,992
	<b>2,378,702</b>	<b>3,005,685</b>

City YMCA, London has an unsecured loan from City Bridge Trust for £1.75m at a rate of 2.5% pa. The loan is repayable at Practical Completion estimated at December 2020 in the sum of £1.6m with the balance to be repaid 12 months later from Practical Completion.

	2020	2019
	£	£
<b>Creditors due over one year:</b>		
GLA Social Housing Grant – Monarch Court	603,120	689,280
GLA Social Housing Grant – Errol St/Lандаid House	6,570,000	6,538,752
AIB(GB) Ltd Term Loan	8,435,000	3,524,506
less funds in AIB(GB) Ltd Loan Account	-257,177	-549,048
	<b>15,350,943</b>	<b>10,203,490</b>

A loan facility is in place with AIB(GB) Ltd for £8,435,000 at a rate of 4% over base secured on all property or undertakings of City YMCA, London, at 31 March 2020 this had been fully drawn down.

This loan is repayable from Practical Completion to November 2023, through a revised interest rate of 3% over base.

City YMCA, London has deposited funds in a loan interest account with AIB(GB)Ltd to be used for loan repayments, at 31 March 2020 the balance in the account was £257,177.

The net amount of £8,177,823 at 31 March 2020 is shown on the Balance Sheet

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**11. TOTAL FUNDS**

	Start of year 01-Apr-20 £	Income £	Expenditure £	Transfers £	Investment gains £	End of year 31-Mar-20 £
<b>Unrestricted Funds</b>						
<b>Designated Fixed Asset Funds</b>						
Housing property	3,248,415			229,577		3,477,992
Other property	37,500			-6,250		31,250
Other Fixed Assets	33,568			-5,898		27,670
<b>Total</b>	<b>3,319,483</b>	<b>0</b>	<b>0</b>	<b>217,429</b>	<b>0</b>	<b>3,536,912</b>
General Funds	0	2,156,771	-1,979,039		-3,772	173,960
Pension Fund	-394,692			38,985		-355,707
<b>Total Unrestricted Funds</b>	<b>2,924,791</b>	<b>2,156,771</b>	<b>-1,979,039</b>	<b>256,414</b>	<b>-3,772</b>	<b>3,355,165</b>
<b>Restricted Funds</b>						
Errol Street Capital Appeal	0	309,416		-309,416		0
Donated facilities	0	30,000		-30,000		0
Youth Projects	0	191,301	-274,303	83,002		0
Sub-total restricted	0	530,717	-274,303	-256,414	0	0
<b>Total Funds</b>	<b>2,924,791</b>	<b>2,687,488</b>	<b>-2,253,342</b>	<b>0</b>	<b>-3,772</b>	<b>3,355,165</b>

The Trustees previously aimed for unrestricted reserves representing between three and six months' unrestricted expenditure. This would provide sufficient funds to allow a buffer should there be a significant unexpected drop in funding. During the LandAid House redevelopment this buffer is not practical but will be reinstated post completion with a plan to build up reserves over five years.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**11. TOTAL FUNDS (CONTINUED – COMPARATIVE FOR 2019)**

	Start of year	Income	Expenditure	Transfers	Investment gains	End of year
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
<b>Designated Fixed Asset Funds</b>						
Housing property	2,305,735			942,680		3,248,415
Other property	43,947			-6,447		37,500
Other Fixed Assets	42,350			-8,782		33,568
<b>Total</b>	2,392,032	0	0	927,451	0	3,319,483
General Funds	0	1,393,014	-1,677,817	275,388	9,415	0
Pension Fund	-430,057			35,365		-394,692
<b>Total Unrestricted Funds</b>	<b>1,961,975</b>	<b>1,393,014</b>	<b>-1,677,817</b>	<b>1,238,204</b>	<b>9,415</b>	<b>2,924,791</b>
<b>Restricted Funds</b>						
Errol Street Capital Appeal	0	1,274,452		-1,274,451		1
Donated facilities	0	30,000		-30,000		0
Youth Projects	0	102,387	-168,634	66,247		0
Sub-total restricted	0	1,406,839	-168,634	-1,238,204	0	1
<b>Total Funds</b>	<b>1,961,975</b>	<b>2,799,853</b>	<b>-1,846,451</b>	<b>0</b>	<b>9,415</b>	<b>2,924,792</b>

Restricted funds were for the purposes as set out on the preceding page.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**12. PENSION COMMITMENT**

City YMCA, London participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of City YMCA, London and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three-year valuation was as at 1 May 2017. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 3.75% and 2.25% respectively, the increase in pensions in payment of 3.35% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.2 years, female 24.1 years, and 24.0 years for a male pensioner, female 26.0 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £141.2m. This represented 81% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. City YMCA, London has been advised that it will need to make monthly contributions of £4,458 from 1 May 2020. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 7 years commencing 1<sup>st</sup> May 2020.

	Repayable					TOTAL 2020 £	TOTAL 2019 £
	Within one year £	One to two years £	Two to five years £	After five years £	After more than one year £		
As at 31 March 2020	53,361	53,361	160,473	88,512	302,346	355,707	
As at 31 March 2019	51,807	51,807	155,421	135,657	342,885		394,692

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

**13. OPERATING LEASE COMMITMENTS**

City YMCA, London had commitments under operating leases for equipment that expires between one and five years as at 31 March 2020 of £4,068 (2019 - £8,950).

**14. HOUSING GRANTS**

The GLA housing grants disclosed on the balance sheet relate to;

- an original grant of £1,120,129 received in 2015 of which £344,689 has been amortised to date. This relates to the Monarch Court hostel.
- an original grant of £6,570,000 received in 2016 for the rebuild of Errol Street Hostel, now named the LandAid House redevelopment, none of which has been amortised to date.

Previously £2,889,792 was received related to the Errol Street Hostel this is not included in the Balance Sheet as the property was revalued at 1 April 2014.

These amounts are potentially repayable if the sites ceased to be used for the provision of social housing. No such change is currently envisaged.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**15. CAPITAL COMMITMENTS**

At the balance sheet date City YMCA, London had contractual commitments for future capital expenditure on the construction of LandAid House of £1,668,085 (2019: £6,764,422).

**16. CONTINGENT LIABILITIES**

The charity has received an assessment from HMRC in respect of a VAT liability for hostel accommodation supplied by City YMCA, London in the sum of £263k. The Trustee Board strongly disputes the basis of the assessment, believing it to be incorrect and on the balance of probability, no liability will arise.

In arriving at, and supporting their assessment of liability and likelihood of payment, the Trustees have taken advice from Legal Counsel, and a firm of professional tax advisers both of whom have relevant expertise in this specific area, in relation to their VAT appeal. The appeal is to be heard in March 2021.

**17. POST BALANCE SHEET EVENTS**

**Post Balance Sheet Event acquisition of YMCA North London**

YMCA North London was founded in 1903 and City YMCA in 1971. Both City YMCA, London and YMCA North London have historically provided a wealth of support to young people and communities - including housing, health and wellbeing, community services and children's services. YMCA North London and City YMCA, London operated in neighbouring boroughs with activities spanning the London Boroughs of Hackney, Haringey, Islington, Newham, Tower Hamlets, Barnet and the City of London.

The Trustees of each organisation examined the landscape in which they individually operated. This resulted in the identification of a number of synergies including core values, client profiles, community activities and networks

Each organisation examined the external landscape and noted the following areas of shared purpose:

1. Homelessness and its effect on young people, also recognised and spearheaded by the Greater London Authority. Further, the necessity for good standards of temporary accommodation in London.
2. The growing need for youth provision.
3. Accessible and affordable children's services.
4. Whole person approaches to health and wellbeing provision.
5. Community engagement activities for cohesion and reduction in isolation.

It was clear from this assessment that bringing together City YMCA, London and YMCA North London to create a single YMCA entity would enable a new organisation to maximise resources, provide for efficiencies of scale and significantly increase the scope and impact of the services. Further, by combining our strengths in building development and refurbishment, community engagement, health and wellbeing, temporary accommodation provision, and youth and children services, we could make significant advancements in our regional profile.

A 'Merger Panel' comprising of Trustees and Executives from both YMCAs was established in 2018, and met fortnightly to work through due diligence and the merger process. Professional legal advice throughout the merger process was provided by Stone King LLP (to City YMCA, London), Bates Wells Braithwaite (to YMCA North London) with pro bono legal advice from Travers Smith LLP on behalf of City YMCA, London. The Merger was completed on the 9 October 2020, with the transfers of all assets and liabilities of YMCA North London to City YMCA, London. The combined organisation will have an annual turnover of around £7m, with a fixed asset base of circa £34M. Employing approximately 145 staff and providing accommodation for up to 390 homeless young people. The merged entity has embarked on an ambitious transition programme to enable the benefits of the merged entities to be realised over the next six months and into the future.

**CITY YMCA, LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**18 STATEMENT OF FINANCIAL ACTIVITIES 2019 SHOWING SPLIT BETWEEN FUNDS**

INCOME FROM:		Unrestricted	Restricted	Total Funds
<b><i>Donations</i></b>	Note		£	£
Donations		3,498	1,143,334	1,146,832
Donations - Drum building		0	30,000	30,000
Donations – pro bono rebuild fees		0	131,118	131,118
		<b>3,498</b>	<b>1,304,452</b>	<b>1,307,950</b>
<b><i>Income from Charitable Activities &amp; Other Income</i></b>				
Housing Income	2	1,347,420	0	1,347,420
Youth Projects income		0	102,387	102,387
Other Income		32,990	0	32,990
		<b>1,380,410</b>	<b>102,387</b>	<b>1,482,797</b>
<b><i>Investment income</i></b>		9,106		9,106
<b>Total income</b>		<b>1,393,014</b>	<b>1,406,839</b>	<b>2,799,853</b>
<b>EXPENDITURE ON:</b>				
<b><i>Costs of raising funds</i></b>		<b>73,086</b>	<b>0</b>	<b>73,086</b>
<b><i>Charitable activities:</i></b>				
Housing Expenditure	2	1,604,731	0	1,604,731
Youth Projects		0	168,634	168,634
<b>Total charitable activities</b>		<b>1,604,731</b>	<b>168,634</b>	<b>1,773,365</b>
<b>Total expenditure</b>		<b>1,677,817</b>	<b>168,634</b>	<b>1,846,451</b>
<b>SUB TOTAL: Net (expenditure)/ income for the year before gains and losses on investments</b>				
		<b>-284,803</b>	<b>1,238,205</b>	<b>953,402</b>
<b>Net gains on investments</b>	8	9,415	0	9,415
<b>Net (expenditure)/income for the year</b>				
	4	<b>-275,388</b>	<b>1,238,205</b>	<b>962,817</b>
Transfers between funds	11	0	0	0
<b>Other recognised gains and losses</b>		0	0	0
<b>Net movement in funds</b>		<b>-275,388</b>	<b>1,238,205</b>	<b>962,817</b>
<b><i>Reconciliation of funds:</i></b>				
Total funds brought forward		1,961,975	0	1,961,975
<b>Total funds carried forward</b>		<b>1,686,587</b>	<b>1,238,205</b>	<b>2,924,792</b>