

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

# **YMCA ESSEX**

---

**REPORT OF THE TRUSTEES AND  
AUDITED**

**CONSOLIDATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

<b>Page</b>	<b>CONTENTS</b>
1	STRUCTURE AND ADMINISTRATIVE INFORMATION <ul style="list-style-type: none"><li>• Board of Trustees</li><li>• Key Staff</li><li>• Contact details</li><li>• Main advisers</li></ul>
2	OUR AIMS AND OBJECTIVES
3	THE TRUSTEES' AND STRATEGIC REPORTS FOR 2019/20 <ul style="list-style-type: none"><li>• Our Services</li><li>• Operations</li><li>• Partnerships</li><li>• Communications</li><li>• Finance</li><li>• Future Plans and Strategy</li><li>• Conclusion</li></ul>
8	GOVERNANCE AND MANAGEMENT <ul style="list-style-type: none"><li>• Articles of Association</li><li>• Board of Trustees</li><li>• Committees</li><li>• Management and Organisational Structure</li><li>• Risk Management</li><li>• NHF Code of Governance</li><li>• Related Parties</li><li>• Remuneration</li></ul>
11	FINANCIAL INFORMATION <ul style="list-style-type: none"><li>• Funds and Reserves Policy</li><li>• Subsidiary Undertakings</li><li>• Fixed Assets</li><li>• Statement of Trustees' Responsibilities</li><li>• Auditors</li></ul>
14	REPORT OF THE INDEPENDENT AUDITORS
16	CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
17	CONSOLIDATED BALANCE SHEET
18	CONSOLIDATED STATEMENT OF CASH FLOWS
19	NOTES TO THE FINANCIAL STATEMENTS

## STRUCTURE AND ADMINISTRATIVE INFORMATION

---

### Board of Trustees

<i>Name:</i>	<i>Office:</i>	<i>Serving on Committees:</i>
Mr Roger McFarland	Chair	Governance, Finance
Mr Mike Bromfield	Vice Chair	Governance
Revd Raymond Gibbs	Vice Chair	Governance
Mrs Helen Robinson	Vice Chair	Finance, Audit (resigned 11 February 2020)
Mr Michael Minta	Treasurer (from July 2019)	Finance, Audit
Mr David Clarke	Company Secretary (Treasurer until 30 June 2019)	Finance, Governance, Audit
Ms Dawn Bostock		Finance, Audit
Mrs Dahlia Wilkinson		Finance, Audit (resigned 11 February 2020)
Mrs Elspeth Johnson		Governance
Sir Bob Russell		(resigned 11 February 2020)
Mr Tim Leeson		Governance
Ms Caroline Bald		Governance
Ms Aimee Picton		(appointed 11 February 2020)

In addition, Board meetings were usually attended by:

Lady Rosemary Ruggles-Brise DL	President
Revd Chris Poulard	Vice President (resigned 11 February 2020)

During 2019/20 Chelmsford City Council was represented at Board meetings in a non-voting capacity by:  
Christine Shaw

### Senior Management Staff

Chief Executive Revd Andy Drake

### Contact details

Address & Registered Office	YMCA Essex Victoria Road Chelmsford Essex CM1 1NZ
Telephone	01245 355677
Website	<a href="http://www.ymcaessex.org.uk">www.ymcaessex.org.uk</a>
Email	<a href="mailto:reception@ymcaessex.org.uk">reception@ymcaessex.org.uk</a>
Registered charity number	1054070
Company number	3171206

### Main advisers

Auditors: THP Limited Chartered Accountants and Statutory Auditors 34-40 High Street Wanstead London E11 2RJ	Bankers: Barclays Bank PLC Barclays Business Centre 40-41 High Street Chelmsford CM1 1BG
HR Consultants: (appointed April 2020) HR Elite 11 De Grey Square De Grey Rd Colchester CO4 5YQ	Cater Allen Bank 9 Nelson Street Bradford BD1 5AN

## YMCA ESSEX

YMCA Essex is one of just under 100 YMCAs who constitute the YMCA Federation in England and Wales, working with young people and transforming lives throughout the country. Founded in 1844, the Federation is in turn part of the YMCA World Alliance and now reaches more than 60 million people in 119 countries worldwide, working with young men and women regardless of race, religion or culture.

YMCA Essex is a Christian charity rooted in local communities and working with people of all faiths and none to meet the needs of children, young people and their families, and supporting them so they can develop and grow and achieve their goals in life. Our premises at YMCA Chelmsford and YMCA Colchester provide the base for our activities across a wide and expanding area of Essex. We influence the lives of thousands of young people every year through a diverse range of programmes and services focused on their individual needs.

We have established a trading company, 'YMCA Essex (Trading) Ltd' [company number 03041709]. The trading company is a wholly owned subsidiary of the charity and carries out a number of activities which create a surplus to be used for the benefit of the charity.

## OUR AIMS AND OBJECTIVES

In summary, the objectives of YMCA Essex are to enable Christians to come together with people of other faiths and of none in order to help young people with their personal, social, educational and spiritual development, to provide accommodation, and to improve their health and wellbeing through the services and support we can offer them.

These objectives have shaped the Mission, Strapline, Values and Priorities of YMCA Essex:

### **Our Mission:**

***Building Lives, Hope and Futures  
for children, young people and families***

### **Our Strapline:**

***'Unleashing Potential'***

### **Our Values:**

- ***Christian*** – inspired by faith, hope and love
- ***Caring*** – here to help everyone we can
- ***Creative*** – always looking for new opportunities
- ***Committed*** – aiming for excellence in all we do

### **Our Priorities:**

1. ***SERVICES:*** Strengthen and expand our ability to meet the needs of children, young people and families.
2. ***OPERATIONS:*** Implement an adaptive, resilient, sustainable operational model which optimises resources for our Mission.
3. ***PARTNERSHIPS:*** Pursue opportunities for partnership working to increase our impact and effectiveness.
4. ***COMMUNICATIONS:*** Raise our profile and build support for the vital work we do from communities, beneficiaries, donors, funders and commissioners.

We have taken account of the Charity Commission's Public Benefit Guidance in establishing and reviewing our aims and objectives, and in planning and resourcing our activities to achieve them. We offer services to children, young people and families across a wide area of Essex. We work with all people, while focusing especially on those with greater needs and fewer opportunities. We help to give children a better start in life. We provide positive activities, safe places to go, role models and mentors for young people. We help families through difficult times at home, in school, in local communities, in finding somewhere to live, and in work and finding work. We aim to make a real difference to the lives of all those with whom we work.

## **THE TRUSTEES' AND STRATEGIC REPORT FOR 2019/20**

### **Our Services**

We provided a wide range of services, projects and activities during 2019/20 including:

#### **Housing work**

At YMCA Colchester we have 44 flats available for rent to homeless young people aged between 16 – 25. They can stay at YMCA Colchester for up to two years and during their tenancy are given support in many areas to help them move on to independent living successfully. Support includes budgeting, claiming benefits, getting into, staying at and finishing college, finding work and sustaining a job, coping with mental and physical ill health, sexual health advice, rebuilding relationships with family and many other things.

In July 2019 we applied for a grant to help the young people when they are suffering hardship and cannot afford to buy any electricity. We were awarded £750 and this has been invaluable in adding to the support we already offer. Later in the year we were successful in applying to Wavelength for a donation of a smart TV, radios and tablets to be loaned to residents to help combat social isolation and loneliness. We will also be able to use the tablets when we start our resident group work sessions.

During 2019/20 we had 52 residents move in and out, this is our highest turn around in three years. Of those who moved out 85% moved on positively to social housing, back to family or to private rented accommodation. We continued to work closely with other supported housing providers in Colchester as well as the Youth Enquiry Service and Colchester Borough Homes. We hosted two social work students, Brad and Nicole, from Anglia Ruskin and Essex Universities.

#### **Community Youth groups**

YMCA Essex provides detached, drop-in and outreach youth work in a variety of locations to provide positive activities for young people to build healthy relationships, to be mentored, and to engage in community programmes which reduce anti-social behaviour and promote improved intergenerational engagement.

We currently run youth groups every day of the week. These are: Connect (based in Chelmsford), Brightlingsea, Great Baddow, Young Carers, Galleywood, Theydon Bois and Dedham. YMCA Essex strives to maintain strong rapport with the Parishes and Community groups that fund these by providing reports, data and case studies upon request.

YMCA Essex has received some money to support young people in the Greenstead area again (Colchester). This is due to start towards the end of 2020.

We support hundreds of young people each week in youth groups, and advertise in schools, on social media and in local areas but most of the young people come along due to hearing great things from their friends.

We submitted a grant application to the Co-op to offer a youth group in response to Covid-19. This will focus on managing anxieties and expectations that young people have, when transitioning back to face to face groups and activities. YMCA Essex would like this to fund the Connect program.

All of our groups follow a theme of the week. This is a plan for the session which falls in line with national themes or days of the week. It encourages creative activities and ideas for discussion, focusing on engaging body, mind and spirit.

During the coronavirus pandemic, YMCA Essex has been running a weekly virtual youth group for existing members of the youth groups, providing wellbeing based activities on social media and continuing to share our theme of the weeks on our website as part of 'motivation Monday'.

**Young Carers** - Through family circumstances, young people can often become primary carers for siblings or frail relatives, which can put them under severe pressure. Every Wednesday at our YMCA Essex works with 15-30 young carers with ages ranging from 7-17 years old. YMCA Essex provides a creative, kind and fun youth group which gives the young people respite food and warmth. YMCA Essex strives to unleash the potential in all young carers, to enable them to find their self-worth and place in the community of young carers. The young people describe this group as their family. YMCA Essex liaises with Essex County Council to ensure the young carers and their families receive the most support to suit their individual needs.

### **Family Support Work and Schools' Work**

**Family Support** - This service works with children, young people and families to make positive impacts and improve children's attendance, behaviour, wellbeing and life inside school and out. We work with 4 secondary and 15 primary schools in the Chelmsford, Maldon, Rayleigh and Harlow areas for both prevention and intervention. The team also runs workshops at the request of the schools, including ones on the subjects of team building, communication, self-esteem, self-confidence, homelessness and world poverty. In 2019/20, the Family Support team worked with hundreds of children, young people and their families through referrals from schools. Every referral resulted in improved attendance, behaviour and academic achievement. Each child or young person completes a Y-Web soft outcomes monitoring tool which reports on improved emotional, social, domestic and academic wellbeing. Our mission is to give every young person a voice and to be committed to providing positive change in their life.

**Essex County Council FIF-Xtra Initiative** - YMCA Essex has been supporting Essex County Council's Family Innovation Fund to ensure that young people across Essex receive the right support to help guide them through anxieties, relationship breakdowns, poor health and lifestyle, coping and managing change as well as other effects from Covid-19. We are working together to ensure that coronavirus does not stop young people from unleashing their full potential but encourages and empowers them to live their best life.

**Safer Community Youth Worker** - This role has been supporting hundreds of young people in school assemblies through meditation and spirit-based thinking, small group workshops known as 'The Starting Point' and 1:1 sessions. This is where young people are encouraged to leave everything where it is and start again from this point, focusing on moving forward, forgiveness and positive mindset. They are able to be guided through challenging times using trauma informed care approaches and reflective listening.

**Educational Welfare Work** - We operate in many schools across Essex offering educational welfare support work, which focuses more on attendance issues as opposed to the Family Support Work but does have some overlap. We were pleased to see this work expand into Jaywick, which is currently the most deprived ward in Britain, and thus has been a target area for YMCA Essex work for some time.

### **Childcare Work**

**Out of School Clubs, and Holiday Clubs** - Out of School Clubs continue to be very popular. Children are cared for in a fun and enriching environment to enable them to engage and build positive relationships, enhance experiences, complete homework, and grow their skills and experience to derive the greatest benefit from their education. This wrap around care also continues to be a main support to parents needing extended care either side of school times. We have enhanced our provision across two of our busiest locations to enable us to take more children due to popular demand.

Coronavirus saw a pause in all Out of School Activities but as schools have reopened, so have the clubs, and we looked forward to a 'normal' operation in September.

We have closed one setting (a location where school's work is held) due to the school terminating the contract and opening the provision themselves, however we are due to open another setting in September for which we have already obtained bookings, which means we will still be operating 7 out of school clubs across the city centre of Chelmsford.

During the school holidays we run a holiday club programme to provide care to families to enable parents to work, families register for the service from various parts of the county. Each week has a different theme, with activities and outdoor trips for the children to enjoy. They are a fun and developmental way for children to spend their school holidays and are valued by both working and non-working parents and carers. Across all of our services we engage with 400 local families.

**Nursery** - Our Nursery is open Monday to Friday for 51 weeks per year each day from 7:30am-6pm. This is for children aged 3 months to 5 years, and the Nursery currently serves approximately 45-50 children and their families each week.

Nursery tried to stay open during the Coronavirus lockdown to support key workers, but low take-up meant it temporarily shut, and then reopened when lockdown began to ease, slowly moving back toward normal operating numbers.

The Nursery has a "Good" Ofsted rating which enables us to take 2-year funded children. Staff have continued to work hard to ensure we offer the best possible provision for our children and families.

We have achieved a 5-star rating food hygiene rating again this year and for the past three years.

We are still supporting families referred to us via support workers at Essex County Council and the Women's Refuge. This year our staff have offered additional support to families that have needed help with choosing schools and applying for the schools of preference. This is a service that many parents have expressed was vital for them so we will continue next year with this line of support.

## **Operations**

YMCA Essex is delivering on its vision of expanding across the county to deliver its core offers to local communities. At the time of writing the work spans from Harlow in the West to Dedham in the East. All departments are led by a Manager / Deputy Manager team which gives us the flexibility and resilience we need and contributes to providing cost-effective services with most staff working on the 'frontline'.

Our IT is cloud based running modern versions of Microsoft Windows© and the Office 365© system with Sharepoint© for data management.

We are accredited by Investors in People and will work over the next three years for Silver or Gold standing.

Through our Governance Committee we maintain an up-to-date governance framework for YMCA Essex, and in 2019/20 continued the process of comprehensive, systematic policy review and revision.

Y Housing is the Housing Association made up of 7 participating YMCAs each with properties that offer supported accommodation, and our Colchester property is one of these. Each YMCA has a director on its Board of Trustees and a special buyback arrangement means that the YMCAs can purchase the properties within 25 years of the original purchase date should they become Registered Providers with the Homes and Communities Agency. This has been an exciting development which has ensured the long-term viable future for YMCA supported accommodation in Colchester.

GDPR compliance has been of paramount importance; our data is accessed through Microsoft SharePoint© to help with this. We have also thoroughly reviewed how we handle and control data including ensuring staff know their role in this and the protocols required. Unlike many charities we do not have a large dataset of financial supporters as we operate like something more akin to a social enterprise.

## **Partnerships**

Working with local YMCAs across the country, our national federation of YMCAs in England and Wales has published the Federation Strategy 2017-2021. We endorse the strategy's vision for the YMCA to be:

- **An inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive**

and the strategy's Key Work Areas and Outcomes, to be delivered by YMCA England and Wales, and local YMCAs, working together:

- **Support & Advice** – We believe every person should have someone they can trust
- **Accommodation** – We believe every young person should have a safe place to stay
- **Family Work** – We believe every family should have the support they need to develop and lead more fulfilling lives
- **Health & Wellbeing** – We believe everyone should enjoy the benefits of good health and wellbeing
- **Training & Education** – We believe every young person should be able to fulfil their potential.

The Chairs and Chief Executives of all the YMCAs in the East of England meet regularly to identify opportunities for us to achieve these aims and objectives in our region, to share experiences and ideas, and to look at how we can extend our impact and generate more resources through working in partnership.

In addition, on 6 June 2019 (the 175<sup>th</sup> anniversary of the YMCA) YMCA representatives from England and Wales met in London to agree a 'Rights and Responsibilities' charter that described how they could better cooperate, ensure best practice and move forward in unison.

YMCA Essex maintains good working relationships with councillors and senior staff at Essex County Council, Chelmsford City Council, and other local authorities where we are active, and we appreciate their strong support for the YMCA. We were particularly grateful to the City Council for their £25,000 grant in 2019/20.

We work closely with 'Churches Together' in the Chelmsford area and maintain Christian links where we can. The Mylands Youth Club in Colchester is also connected with the Parish Church there. We are developing stronger links with local churches, with our CEO Andy Drake preaching to a number of local congregations on behalf of the YMCA. We also work with other like-minded organisations through 'Citizens-UK' to enable grassroots campaigning for change, seeking for communities to be shaped more by their members than by outside sources.

It should be noted that although the schools and parish councils we work with are, strictly speaking, our clients, in practice we are like partners working together to achieve the same goals. This is borne out in how our pricing for such services typically represent 'at cost' models, and how we sometimes work closely to co-design bespoke solutions.

## **Communications**

One of our key strategic priorities is to raise our profile and build support for the vital work we do from communities, beneficiaries, donors, funders and commissioners.

We have continued to carry out the rebrand in line with the toolkit provided by YMCA England and Wales, and this has been especially helpful in the refresh at Colchester. We continue to innovate and develop a cutting-edge feel for our print and electronic media, always seeking to better communicate our mission to existing and new stakeholders.

We publicise our activities through our website including our online news and e-newsletter which goes out monthly to all subscribers, through leaflets, through the media, and in face-to-face contacts with people through our services, projects and events, and through networking with businesses, public and voluntary sectors. Relationships with local media have led to positive YMCA coverage.

## **Finance**

Our principal sources of income are the Nursery, the Out of School Clubs, the Housing work and - to a lesser extent - the Family Support Programme and Education Welfare Service - all of which operate on a social enterprise model (all surplus is ploughed back into the local work).



The end of year outturn was an overall surplus on unrestricted general funds of £8,893 and whilst we would always wish to produce a surplus this does represent challenging changes to our service provision (notably childcare) and the building of capacity within the organisation. We had hoped to see better performance in the near future, but it is likely the effects of Coronavirus will challenge those attempts.

The Trustees recognise that our financial position is particularly dependent on the level of take-up of our income-generating services, and it will therefore be important for us to maintain and expand those services in the coming years, and to attract further income from additional sources especially to support the costs of our charitable youth work.

### **Future Plans and Strategy**

There are more than 400,000 children and young people aged 19 or under living in Essex. The potential need and demand for the services provided by the YMCA is therefore huge. Our strategy for the future aims to expand our services both geographically and numerically to meet more of these needs, working alongside other leading YMCAs wherever possible.

Our aim is for Community Hubs to be developed organically across Essex out of which YMCA services and staff can share our particular blend of professionalism and kindness. These Community Hubs would offer and/or be connected to a diverse range of services, from our core work of childcare, youthwork and housing to newer projects involving information, advice and guidance giving, intervention for those facing domestic abuse, outward bound community development work, and so much more. From 2020-2030 these hubs will grow both opportunistically and intentionally.

To undergird the strategy a Capacity Building Plan (CBP) has been put into effect, made possible by a £60k donation and match funding from YMCA Essex reserves. The CBP primarily pays for improved staffing levels over three years, allowing for the Head of Youth and Children's work to take on Business Development, the Youth Manager to backfill, and the employment of the Communications and Events Manager, and some other minor changes. This has been working well and prior to the coronavirus pandemic we were hoping for a break-even year in 2020/21 and then surplus in 2021/22 as new youth, housing and childcare services came on stream as a result of the CBP.

Alongside these plans we continue to communicate well with our neighbouring YMCAs and seek collaborative work where possible. We remain open to strategic partnerships with other like-minded organisations, and are aware that exciting developments can come from the most unlikely of places.

### **Conclusion**

2019/20 was a challenging year financially but an encouraging year with regard to mission. The unique services we offered to children, young people and families continued to be of the highest standard and operated smoothly despite the challenges. Prior to Covid-19 we were planning to implement changes that would lead us through to surplus, whilst sustaining the excellent output in services and indeed growth within them. The new context has led us to consider the metaphor of being a 'Lightship', tasked with staying afloat (remaining resilient) in the same storm as those we seek to serve, while being a beacon of hope and offering every assistance we can. A revised plan for the next 18 months aims to help us achieve this short-term vision whilst positioning us to still make good on our 2020-30 plans. Some of the headline elements of this include developing our housing portfolio, adjusting our childcare offer to achieve profitability in the trading subsidiary, and improving our communications and relationships to help capitalise on the growth opportunities that the current volatile environment is producing.

Turning to the present, it is when we hear the many individual stories of children and young people whose lives have been completely turned around by their involvement with the YMCA, that we know we are making a real difference.

None of this would be possible without all the wonderful people who work for and support the YMCA. We would like to pay tribute to our paid and voluntary staff under the leadership of our Chief Executive, Andy Drake. We have a very professional, talented and committed staff team at the YMCA, who are highly valued for everything they are achieving.

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

We wish to thank our Treasurer, Finance Committee and the Finance Team for their dedication and hard work in financial planning, monitoring and control for YMCA Essex.

We are very grateful to all the organisations and individuals who have made donations, whether large or small, enabling us to undertake many vital projects and activities. We record our thanks to our fellow Board Members and all the other volunteers who give so much to the YMCA.

Finally, we thank all those who have supported us in prayer and in action during the last year.

## **GOVERNANCE AND MANAGEMENT**

### **Articles of Association**

YMCA Essex is a charitable private company limited by guarantee, incorporated on 12 March 1996 and registered as a charity on 26 March 1996. The charity is governed by its revised Articles of Association adopted on 25 January 2016.

YMCA Essex's charitable objectives, in full, are:

- To advance the Christian faith, including by:
  - (a) promoting a Christian environment inspired and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of none can work together for the transformation of communities; and
  - (b) enabling people of all ages and in particular young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ;
- To provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- To provide or assist in the provision of education for people of all ages and in particular young people, with the object of developing their physical, mental or spiritual capacities;
- To relieve or assist in the relief of people of all ages and in particular young people, who are in conditions of need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstances; and
- To provide residential accommodation, including Social Housing, for people of all ages and in particular young people, who are in need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstances.

### **Board of Trustees**

The Board of Trustees meets quarterly. The Board's purpose is to:

- provide **strategic leadership and support** for YMCA Essex;
- uphold the **Christian faith basis** of YMCA and promote its **mission and objectives**;
- agree **vision and strategy**;
- ensure good **governance and accountability**;
- make best use of **human, financial and property** resources;
- take part in YMCA **events and activities**;
- **encourage, praise and thank** staff and volunteers;
- **promote YMCA** and its work within Essex communities.

Trustees serve on the Board for a maximum of three consecutive three-year terms before taking a break of at least one year.

The Board aims to have a balanced and capable team of Board Members including:

- people who will ensure that the Christian founding principle, values and character of YMCA are sustained, providing Christian leadership for the charity (at least half of our Board Members are committed Christians);
- people with diverse backgrounds and diverse attributes, to help ensure healthy debate and challenge, and to bring a range of views and perspectives to inform decision-making;
- people with connections to communities in different parts of Essex;

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

- people with the skills, abilities, knowledge and experience needed for the effective working of the Board;
- a balance on the Board between experienced members and those who can offer new thinking and independent challenge.

The Board welcomes applications at any time from people who may be interested in serving as Board Members. When it wishes to strengthen or diversify its membership, it will actively seek candidates with the required skills and attributes by a range of means which may include open advertisement. Following a successful recruitment process, the Board will appoint a new Trustee as a Board Member.

New Trustees receive an induction programme, to familiarise them with the services and operations of YMCA Essex and the work of the wider YMCA movement, and to equip them to fulfil their responsibilities as Trustees for governance, strategy, finance, communication and representing the YMCA effectively. Further training and development opportunities are made available to all Trustees on an ongoing basis.

### Committees

The Board has appointed four Committees to assist the work of the Board and the YMCA:

- Finance Committee
- Governance Committee
- Audit Committee
- Board Appeals Committee

### Management and Organisation Structure

A scheme of delegation is in place and the Board has delegated the day to day responsibility for the YMCA's services and operations to the Chief Executive and his/her Managers. The Managers each lead one of the five main areas of Childcare & Corporate Services, Youth Work, Housing, and Finance, and Communications, Fundraising and Events. There are over 70 staff and over 20 volunteers working for YMCA Essex in the charity and its subsidiary trading company.

The key responsibilities of the Chief Executive are to:

- Provide Christian leadership to YMCA Essex in accordance with our vision, mission, values, passion and Christian ethos.
- Develop and implement strategies to maximise the impact of YMCA in building lives, hope and futures for children, young people and families.
- Provide strategic and operational leadership for the diverse and multi-faceted activities of YMCA, ensuring effective and legally compliant management, administration and development.
- Support the Board of Trustees to develop and implement strategic direction.
- Provide leadership of all development and fundraising activities and the implementation of long-term viability and sustainability.
- Lead staff teams in providing a professional service in all areas of activity ensuring that the YMCA's aims and purposes are fully met.
- Represent YMCA externally, promoting its services and values.
- Maintain and develop the relationship of YMCA Essex with the wider YMCA Movement.

### Risk Management

The Board has a Risk Management Policy, incorporating a Risk Register, and both are reviewed and updated annually. Our strategic risk analysis shows that the YMCA currently faces 8 risks classed as Major within the methodology we have adopted:

- Ensure the **Quality and Competitiveness** of our services and projects.
- **Safeguard the Wellbeing** of the Children, Young People and Adults we work with.
- Ensure the **Health and Safety** of all involved in our activities.
- Increase our **Income** and improve our **Financial Position**.
- Recruit, develop and retain the **Staff and Volunteers** we need.
- Safeguard **Business Continuity** for all our services and operations.
- Respond and adapt well to **Changes and New Opportunities**.

- Maintain a good **Reputation and Public Support** for YMCA.

There are also 4 risks classed as Moderate:

- Ensure the effective **Governance** of the YMCA.
- **Fulfil our Mission** to children, young people and families.
- Implement effective **Financial Controls** and **Fraud Prevention** measures.
- Manage staff fairly and effectively through our **Human Resources** policies and procedures.

### **Coronavirus Pandemic**

In addition to these risks identified through YMCA's strategic risk management process, the Covid-19 pandemic has presented a unique, unprecedented and uncertain risk to the services, operations, and finances of YMCA Essex. Service delivery and staffing arrangements were rapidly adapted to enable us to fulfil our mission to the best of our ability during the crisis, while protecting the charity's financial position and its ability to recover when the situation improved. The Board and senior staff will continue intensive monitoring and action planning to respond to changing circumstances resulting from Covid-19 for as long as is necessary during 2020/21 and beyond.

The Board is satisfied that the above risks are being consistently and effectively managed and mitigated and considers that the resultant risk profile is acceptable and appropriate in relation to the YMCA's objectives and responsibilities. The nature of the services which the YMCA provides to service users, and the environment within which the charity operates, mean that we will inevitably face risks due to factors beyond our control. We are willing to tolerate higher risks if they can be justified by the potential benefits for children, young people and families.

### **NHF Code of Governance and YMCA England and Wales Governance and Financial Viability Standard**

YMCA Essex seeks to comply with the National Housing Federation code of governance so as to better prepare for becoming a Registered Provider of Housing in due course. The most recent self-assessment indicates that we satisfy over 95% of the code criteria, and it is felt that even if we do not become a Registered Provider for some time, achieving this high level of compliance with the Code has strengthened the governance and capability of the organisation.

YMCA Essex also complies with the YMCA England and Wales Governance and Financial Viability Standard.

### **Related Parties**

YMCA Essex is a part of the national federation of YMCAs in England and Wales, and is affiliated to YMCA England and Wales, which is the national organisation responsible for representing and equipping local YMCAs. We support its vision and overall strategy and seek to play our part in delivering them in a way which is appropriate for our local context. Our Vice President until February 2020, the Revd Chris Poulard, was also a Vice President of YMCA England and Wales.

YMCA Essex (Trading) Ltd is a wholly owned subsidiary of the YMCA Essex charity, whose principal activities are the provision of Nursery care and Out of Schools work, and room hire facilities. The Directors of the trading company are the Board Members who are on the charity's Finance Committee together with the Chief Executive and the Finance Manager.

YMCA Essex receives an annual grant for work in the Chelmsford area from Chelmsford City Council, which has non-voting representation at Board meetings. We contract with a large number of schools for our Out of School clubs and Schools Work programmes.

YMCA Blackburn (known as Y Housing) is a Housing Association whose stock is entirely made up of YMCA Housing Projects, with YMCA Colchester being one of them. Each YMCA associated with Y Housing in this way has a representative on the Board, and typically the CEO, as in our case.

## **Remuneration and Remuneration Levels**

'Remuneration' includes salary, pension, leave, and other financial and non-financial employment benefits.

The Board has a Remuneration Policy which is reviewed annually to provide a framework for all remuneration decisions. In 2019/20 our Chief Executive received a remuneration of £66,464.

The Trustees do not receive any remuneration.

The overall objective of our Remuneration Policy is to offer fair remuneration to attract, develop and retain staff with the right abilities, skills and competencies to lead, manage, support and/or deliver our services to the community.

In deciding on pay levels for staff, the following factors may be taken into account. These factors are not exclusive and any decision will inevitably include an element of discretion on the part of the Trustees.

- Our Vision and Strategy and how this may affect the number and nature of roles for which we need to employ or recruit staff.
- Affordability in relation to the YMCA's financial position.
- The need to recruit and retain high quality, competent staff.
- The level of responsibilities associated with each job role, in relation to leadership, decision-making, service delivery, staff supervision, management of finance and resources, contacts and relationships, and job context.
- Any significant increase in responsibilities.
- The type of skills, experience and competencies that each job role needs, and their link to remuneration.
- Information about comparable roles and pay rates particularly in the charitable sector.
- The wider remuneration package including leave and other benefits.
- The need for consistency and fairness in remuneration between jobs within YMCA Essex.
- Equality of pay amongst people doing similar roles.
- The rate of inflation and other economic factors.
- The 'National Living Wage' set by Government, and the 'Living Wage' recommended by the Living Wage Foundation.
- The likely effect on the charity's reputation, viability and public standing.

## **FINANCIAL INFORMATION**

### **Funds and Reserves Policy**

The charity has various funds available to finance its activities. These are as follows:

#### **(a) Unrestricted funds**

These are funds expendable at the discretion of the Trustees in furtherance of the charity's objects. Such funds may be designated by the Board for a particular project or purpose. The general fund is the amount of unrestricted funds that has not been designated. The Board have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commissioners and they believe that the charity should hold financial reserves because:

- it has no guaranteed regular funding,
- it requires protection against, and the ability to continue operating, despite catastrophic or lesser but damaging events.

The Trustees believe that the minimum level of general funds should be the equivalent of three months' essential operating costs calculated and reviewed annually. As at the end of March 2020, the general fund stood at £127,634.

### **(b) Designated funds**

As shown on the balance sheet, the majority of unrestricted funds are held in the form of fixed assets, and as such these funds are not available to support other activities. The Board have therefore created a designated fund representing the value of fixed assets held (see note 12). In addition, the Board have also recognised the problems caused when existing funding for projects finishes and until new sources of funding are secured. We have created a Youth Work fund to allow projects to continue during these periods. We also have a replacement fund which is monies set aside for on-going maintenance and improvement of the buildings.

### **(c) Restricted funds**

These are funds donated for specific purposes that are within the wider objects of the charity. The major restricted funds held at the year-end is for the Capacity Building Project for which we received a grant of £60,000 from the Candap Trust in May 2018, and to which we matched funding of £90,000 from YMCA Essex free reserves.

Other funds represent donations for the activities as detailed in note 13 to these accounts. The Board consider that YMCA Essex has sufficient assets to meet its obligations as they arise on both the designated and restricted funds.

### **(d) Investment Policy**

Where possible all restricted funds are placed on short-term deposit. Due to the nature of our activities, these funds may be required at short notice.

### **Subsidiary Undertaking**

The accounts consolidate the results of the charity and its subsidiary YMCA Essex (Trading) Ltd. whose principal activities are the provision of Nursery care and Out of Schools work, and room hire facilities. Its performance is shown in note 4 to these accounts and is considered to be satisfactory.

### **Fixed Assets**

Movements in the fixed assets are detailed in note 8.

### **Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of YMCA Essex for the purposes of Companies Act 2006) 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). The Trustees are required to:

- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and its subsidiaries and enable them to ensure that the financial statements comply with the Companies Act 2006;
- prepare financial statements for each financial year which give a true and fair view of the state of the group's and the charity's affairs and of the surplus or deficit for the year, and to comply with the regulations made by the Secretary of State.

In preparing these financial statements the Trustees 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, and whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', issued by the Charity Commission;

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are also responsible for safeguarding the assets of the charity and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to Disclosure of Information to Auditors**

The Trustees confirm that so far as they are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and that they have taken all steps to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Liability of Members**

The liability of members is limited to £1 in the event of the charity being wound up with insufficient funds to meet its debts.

**Auditors**

In accordance with Section 485 of the Companies Act 2006, a resolution to appoint the auditors THP Limited and authorising the Trustees to agree their remuneration will be proposed at the first Board meeting in 2021.

Signed on behalf of the Board of Trustees

Mr Roger McFarland  
Chair



Date: ..... 7/12/2020 .....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA ESSEX (Limited by Guarantee)

**Opinion**

We have audited the consolidated financial statements of YMCA Essex (Limited by Guarantee) (the 'charitable company') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated 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 (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 and Group's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its 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.

**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 Auditors 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**

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 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 information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or



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

### Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

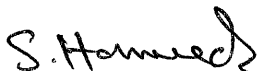
### Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

### 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 auditors' 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.



Shahid Hameed ACA FCCA (Senior Statutory Auditor)  
For and on behalf of THP Limited  
Chartered Accountants and Statutory Auditors  
34-40 High Street  
Wanstead  
London E11 2RJ

Date:.....15/12/2020.....

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted		Restricted	2020	2019
		General	Designated		Total	Total
		£	£	£	£	£
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Rental income		604,035	-	-	604,035	562,972
Voluntary income		8,171	-	-	8,171	8,595
Grants receivable		25,000	-	-	25,000	85,947
Activities for generating funds		5,205	-	-	5,205	3,593
Income of trading subsidiary	4	644,881	-	-	644,881	673,365
Interest receivable		5,981	-	-	5,981	3,863
Incoming resources from charitable activities:						
Youth training		144,920	-	9,410	154,330	136,873
Miscellaneous Income		6,746	-	-	6,746	5,607
<b>TOTAL INCOMING RESOURCES</b>		<b>1,444,939</b>	<b>-</b>	<b>9,410</b>	<b>1,454,349</b>	<b>1,480,815</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating funds:						
Expenditure of trading subsidiary	4	481,036	-	-	481,036	525,987
Charitable activities:						
Childcare services		103,786	-	696	104,482	96,659
Youth and other services		586,607	6,399	109,213	702,219	575,289
Premises		253,117	-	-	253,117	206,771
		943,510	6,399	109,909	1,059,818	878,719
Governance costs		11,500	-	-	11,500	10,200
<b>TOTAL RESOURCES EXPENDED</b>	5	<b>1,436,046</b>	<b>6,399</b>	<b>109,909</b>	<b>1,552,354</b>	<b>1,414,906</b>
<b>Net INCOMING/(OUTGOING) RESOURCES</b>		<b>8,893</b>	<b>(6,399)</b>	<b>(100,499)</b>	<b>(98,005)</b>	<b>65,909</b>
Transfer (from)/to Designated Funds	12	24,209	(24,209)	-	-	-
Transfer (from)/to Restricted Funds	13	(68,562)	-	68,562	-	-
<b>FUND BALANCES AT 1 APRIL 2019</b>		<b>163,094</b>	<b>980,183</b>	<b>188,731</b>	<b>1,332,008</b>	<b>1,266,099</b>
<b>FUND BALANCES AT 31 MARCH 2020</b>		<b>127,634</b>	<b>949,575</b>	<b>156,794</b>	<b>1,234,003</b>	<b>1,332,008</b>

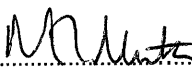
All recognised gains and losses are included above.

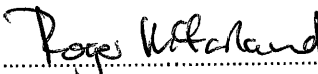
YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206  
CHARITY AND CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2020

	Notes			TOTAL 2020		TOTAL 2019	
		Restricted £	Unrestricted £	Charity £	Group £	Charity £	Group £
<b>FIXED ASSETS</b>							
Tangible assets	8	-	830,758	830,758	830,758	828,607	828,607
Investments	9	-	2	2	-	2	-
			830,760	830,760	830,758	828,609	828,607
<b>CURRENT ASSETS</b>							
Debtors	10	-	158,407	158,407	55,722	216,148	159,458
Cash at bank in hand		156,794	318,608	475,402	624,400	502,328	608,819
		156,794	477,015	633,809	680,122	718,476	768,277
<b>CREDITORS:</b>							
Amounts falling due within one year	11(a)	-	(138,874)	(138,874)	(178,944)	(107,404)	(150,962)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		156,794	1,168,901	1,325,695	1,331,936	1,439,681	1,445,922
<b>CREDITORS:</b>							
Amounts falling due after more than one year	11(b)	-	(97,933)	(97,933)	(97,933)	(113,914)	(113,914)
<b>NET ASSETS</b>		156,794	1,070,968	1,227,762	1,234,003	1,325,767	1,332,008
<b>FUNDS HELD</b>							
<b>Unrestricted funds:</b>							
General fund		-	121,393	121,393	121,393	156,853	156,853
Retained in subsidiary		-	-	-	6,241	-	6,241
<b>Total</b>		-	121,393	121,393	127,634	156,853	163,094
Designated fund		-	231,187	231,187	231,187	261,795	261,795
Restricted funds	13	156,794	-	156,794	156,794	188,731	188,731
Revaluation reserve	8	-	718,388	718,388	718,388	718,388	718,388
		156,794	1,070,968	1,227,762	1,234,003	1,325,767	1,332,008

These accounts were approved by the Board and authorised for issue on 7/12/2020 and signed on its behalf by:

  
Mr Michael Mintz – Treasurer

  
MF Roger McFarland – Chair

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash Generated from Operating Activities (see below)	14,936	(5,161)
Cash Flows from Investing Activities		
Interest received	5,981	3,863
Sale of tangible fixed assets	-	2,700
Purchase of tangible fixed assets	(5,336)	-
	<u>645</u>	<u>6,563</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>15,581</u>	<u>1,402</u>
Cash and cash equivalents at the beginning of the year	608,819	607,417
Total cash and cash equivalents at the end of the year	<u>624,400</u>	<u>608,819</u>

*Reconciliation of Net Incoming Resources to Cash  
Generated from Operating Activities*

	2020 £	2019 £
Net incoming resources	(98,005)	65,909
Profit on disposal of asset	-	(432)
Add back depreciation charge	3,185	5,617
Deduct interest income shown in investing activities	(5,981)	(3,863)
Decrease/(increase) in debtors	103,736	(52,755)
Increase/(decrease) in creditors	<u>12,001</u>	<u>(19,637)</u>
Net cash generated from operating activities	<u>14,936</u>	<u>(5,161)</u>

Note to Statement of Cash Flows

The company's cash flow statement reflects the presentation requirements of FRS 102, under which the cash flow statement reconciles to cash and cash equivalents.

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206  
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

YMCA Essex is a company limited by guarantee and incorporated and domiciled in England. The Charity's registered number and registered office address can be found on page 1.  
The functional and presentation currency of YMCA Essex and its subsidiary is the pound sterling.

2. ACCOUNTING POLICIES

i. Basis of preparing the financial statements

The financial statements of the charity, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except for the non-depreciation of freehold property as explained in note 2.iv. The Trustees have decided to adopt the presentation of the Statement of Financial Activities rather than the Income and Expenditure account as required by the Companies Act as they consider that this more accurately reflects the operations of the charity.

ii. Basis of Consolidation

These financial statements incorporate the audited financial statements of YMCA Essex and its subsidiary undertaking, YMCA Essex (Trading) Ltd., who has the same year end, consolidated on a line by line basis. Common expenses have been allocated between the operations based upon estimated use.

The results of the trading subsidiary are detailed in note 4 to the financial statements. The consolidated balance sheet represents the total assets and liabilities of the group. As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent charity is not presented as part of these financial statements. The balance sheets of the Charity and Group are both shown on page 17.

iii. Charitable Expenditure and Support Costs

The YMCA Essex operates a childcare, youth and community centre based at its premises in Victoria Road. Colchester division provides supported accommodation for young people. Charitable expenditure comprises the costs of programmes operated. No valuation is placed on the services provided by volunteers without whom the programmes could not operate. Support costs comprise the costs of running the building less those costs allocated to the trading activities. Management and administration expenses comprise administrative costs and common overheads, which cannot be allocated to specific activities.

Governance costs are expenditure incurred on the operation of the charity as opposed to any specific activity and comprise Board expenses and audit costs.

iv. Fixed Assets and Depreciation

The Trustees consider that the freehold property is maintained in such a way that the residual value is at least equal to its net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit and loss account. The trustees perform annual impairment reviews in accordance with the requirements of the Financial Reporting Standard 102 to ensure that the recoverable amount is not lower than the carrying value.

Other fixed assets are stated at cost less depreciation. The cost of furniture and equipment valued over £2,500 is written off over five years on a straight-line basis from the date of acquisition, Electrical equipment is written off over four years on a straight-line basis.

v. Covenants and Donations

Covenants and donations are recognised when received. No account has been taken of funds pledged but not received at the balance sheet date. Funds with restricted use are separately identified and are shown in Note 13 to the Accounts.

vi. Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at this value less any provision for impairment.

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206  
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

- vii. Debtors  
No general provision is made against debtors. Known bad debts are written off and specific provision is made for any considered doubtful of collection.
- viii. Grants and Legacies Receivable  
Income from grant and legacies is included in income when these are receivable, except when donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods.  
Where these relate to specific items of expenditure these have been included within restricted funds.
- ix. Taxation  
The Charity is exempt from tax on income and gains within Section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.
- x. Pension Contributions  
The charity contributes to a defined contribution scheme on behalf of its employees. Contributions made during the year are shown in note 6.
- xi. Unlisted Investments  
Investments are stated at historical cost.
- xii. Related Party Exemption  
The Group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the group companies.

3. INCOMING RESOURCES

The statement of financial activities contains details of all the income of the charity. All income arose in the United Kingdom.

Rental income is accounted for on a receivable basis.

Income received from charitable activities represents mainly Youth Training funds and is accounted for on a receivable basis.

The turnover of the trading subsidiary represents the gross value of goods sold and services provided. Fees billed in advance for nurseries and out of school clubs are deferred according to the expected start date of the services provided.

4. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

YMCA Essex has a wholly owned trading subsidiary "YMCA Essex (Trading) Ltd." (company registration number 03041709) which is incorporated in the United Kingdom. This operates the childcare programme and room hire facilities on behalf of the charity. Its results for the year ended 31 March 2020 and 2019 are detailed below. The operating profits for both years, under a deed of covenant, have been covenanted to YMCA Essex.

PROFIT AND LOSS ACCOUNT

	2020	2019
	£	£
Turnover	644,881	673,365
Cost of sales	387,652	412,533
Gross profit	257,229	260,832
Administrative costs	93,384	113,454
Operating profit	163,845	147,378
Amount covenanted to YMCA Essex	(163,845)	(147,378)
Retained profits at 1 April 2019	6,241	6,241
Retained in subsidiary at 31 March 2020	6,241	6,241
	=====	=====
AGGREGATE SHARE CAPITAL AND RESERVES	£6,243	£6,243
	=====	=====

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

The subsidiary's registered office address is the same as the Registered Office address of YMCA Essex.

5. RESOURCES EXPENDED

	Trading Subsidiary £	Charitable Activities £	Governance £	2020 Total £	2019 Total £
Costs directly allocated to activities					
Staff costs	314,553	343,701	-	658,254	648,445
Other direct costs	73,099	98,729	-	171,828	183,881
Support costs allocated to activities					
<u>Premises</u>					
Heat and light	4,198	37,080	-	41,278	29,992
Repairs	9,972	65,028	-	75,000	49,556
Rates and insurance	-	17,854	-	17,854	21,080
Cleaning	6,713	18,001	-	24,714	17,787
Rent	-	115,154	-	115,154	112,340
<u>Administration</u>					
Office salaries and pensions	67,809	176,139	-	243,948	254,690
Pensions admin charge	-	2,682	-	2,682	2,400
Training	-	11,570	-	11,570	11,415
IT costs	-	10,764	-	10,764	8,957
Stationery and advertising	955	6,571	-	7,526	7,158
Telephone and licences	3,737	8,373	-	12,110	6,395
Fees and licences	-	19,708	-	19,708	20,130
Sundry expenses	-	10	-	10	672
Depreciation	-	3,185	-	3,185	5,617
Legal & Professional fees	-	7,666	-	7,666	20,313
Fundraising costs	-	1,295	-	1,295	2,560
Profit on Sale of assets	-	-	-	-	(432)
Auditors remuneration	-	-	11,500	11,500	10,200
Cyclical Provision	-	-	-	-	1,750
<b>TOTAL RESOURCES EXPENDED</b>	<b>481,036</b>	<b>943,510</b>	<b>11,500</b>	<b>1,436,046</b>	<b>1,414,906</b>
	=====	=====	=====	=====	=====

Premises costs are allocated on floor area and Administration costs are allocated on estimated usage.

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

	2020		2019	
	Charity £	Group £	Charity £	Group £
6. STAFF COSTS				
Wages and salaries	516,136	875,526	440,962	832,409
Social Security costs	40,045	68,307	34,775	57,942
Pension contributions	20,709	20,709	14,470	14,470
	576,890	964,542	490,207	904,821
	=====	=====	=====	=====

One employee earned over £60,000 per annum.

The average number of employees was 80 (2019 total was 73).

In addition the charity uses the services of 20+ volunteers. No valuation has been made for the assistance upon which the YMCA Essex relies to provide many of its services. A further 13 volunteers acted as trustees on the Board. No Trustees have received any remuneration or have had expenses reimbursed.

Key management includes the Trustees, the Chief Executive and members of the senior management team. The compensation paid to key management for employee services is £244,211 (2019: £225,786).

	2020 £	2019 £
7. NET INCOMING RESOURCES		
This is stated after charging		
Depreciation (owned assets)	3,185	5,617
Auditors' remuneration – audit	5,500	5,500
– other services	6,000	4,700
	=====	=====

8. GROUP FIXED ASSETS				Total
	Premises £	Furniture & Equipment £	Computer Equipment £	£
Cost or Valuation				
At 1 April 2019	825,000	40,354	29,432	894,786
Additions	-	5,336	-	5,336
Disposals	-	-	-	-
At 31 March 2020	825,000	45,690	29,432	900,122
Depreciation				
At 1 April 2019	-	36,747	29,432	66,179
Charge for the year	-	3,185	-	3,185
Eliminated on disposals	-	-	-	-
At 31 March 2020	-	39,932	29,432	69,364
Net book value				
At 31 March 2020	825,000	5,758	-	830,758
	=====	=====	=====	=====
At 31 March 2019	825,000	3,607	-	828,607
	=====	=====	=====	=====

The property was fair valued, as a one-off revaluation, on the basis of existing use value at 31 March 2016, by Elwell Taylor, Chartered Surveyors of 65 New London Road, Chelmsford, Essex CM2 0ND. On transition to FRS 102, the charity has taken the revalued amount as the deemed cost and therefore further revaluations are not required.

Cost or valuation at 31 March 2020 is represented by:

	£
Valuation in 2016	718,388
Cost	181,734
	900,122
	=====



YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

9. INVESTMENTS – Unlisted at Cost

The company owns two ordinary shares, being all the Issued Share Capital of YMCA Essex (Trading) Ltd., a company registered in England. This company operates the trading activities as described in Note 4.

10. DEBTORS	Charity £	Group £	Charity £	Group £
Trade debtors	45,628	54,742	109,462	114,815
Other debtors and prepayments	980	980	44,643	44,643
Due from YMCA Essex (Trading) Ltd	111,799	-	62,043	-
	<u>158,407</u>	<u>55,722</u>	<u>216,148</u>	<u>159,458</u>
	=====	=====	=====	=====

There are no debtors falling due after more than one year.

11. (a) CREDITORS: Amounts falling due within one year

	£	£	£	£
Trade creditors	2,873	6,307	17,395	19,995
Other creditors and accruals	119,609	156,245	73,684	114,642
Pension deficit	16,392	16,392	16,325	16,325
	<u>138,874</u>	<u>178,944</u>	<u>107,404</u>	<u>150,962</u>
	=====	=====	=====	=====

11. (b) CREDITORS: Amounts falling due more than one year

	£	£	£	£
Pension deficit	97,933	97,933	113,914	113,914
	<u>97,933</u>	<u>97,933</u>	<u>113,914</u>	<u>113,914</u>
	=====	=====	=====	=====

12. DESIGNATED FUNDS

	Balances 31 March 19 £	Income £	Expenditure £	Net Transfer £	Balances 31 March 20 £
Fixed assets fund	828,607	-	-	2,151	830,758
New Projects	94,428	-	(4,294)	(11,711)	78,423
IT – Replacement fund	1,778	-	(1,330)	-	448
Informal Youth Work	1,721	-	(775)	7,139	8,085
Replacement Fund Colchester	36,292	-	-	(6,152)	30,140
Friends of Chelmsford YMCA	-	-	-	1,721	1,721
Childcare fund	17,357	-	-	(17,357)	-
	<u>980,183</u>	<u>-</u>	<u>(6,399)</u>	<u>(24,209)</u>	<u>949,575</u>
	=====	=====	=====	=====	=====

The fixed assets fund represents the value of the general funds held within in the fixed assets (including revaluation reserve) used by the charity, as such these are not available to support the other activities. The replacement fund is monies set aside for ongoing maintenance and improvements of the building. The Board have also designated funds to allow for the continuation of youth work projects once existing funding sources run out and to allow time for securing future funding.

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

13. RESTRICTED FUNDS

The charity has received the following amounts, which may only be used for specific purposes.

	Balances 31 March 2019 £	Income £	Transfers	Salaries £	Materials/other £	Balances 31 March 2020 £
Capacity Building Plan	129,597			(41,401)		88,196
Childcare services	1,376	155	16,273	-	(696)	17,108
Youth and other services	40,262	9,255	69,785	-	(67,812)	51,490
Other funds	8,944	-	(8,944)	-	-	-
Grants	8,552	-	(8,552)	-	-	-
<b>TOTAL ALL FUNDS</b>	<b>188,731</b>	<b>9,410</b>	<b>68,562</b>	<b>(41,401)</b>	<b>(68,508)</b>	<b>156,794</b>
	=====	=====	=====	=====	=====	=====

Capacity Building Plan

Capacity Building Plan funds relate to £60,947 grant and £90,000 YMCA Essex's contribution in 2018-19 towards a project which primarily pays for improved staffing levels over three years. Further details are given in Trustees Report.

Childcare Services

This funding includes donations that are specifically identified for Childcare.

Youth and other Services – Youth Work

There are a number of Restricted Funds within the Youth Work area, funding derives from various sources, including Essex County Council, Chelmsford City Council, Parish Councils, Christian Spiritual Worker, Housing Project Colchester, Outreach (Comic Relief), Park Project, Rotary Club and other restricted funds. These funds enable us to provide a wide range of services and programmes for young people. These funds are monitored in various ways and their restriction is that funds can only be used for the specific purpose for which they were granted.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2020 are represented by:

	UNRESTRICTED		RESTRICTED	TOTAL FUNDS
	General £	Designated £	£	£
Fixed Assets	-	830,758	-	830,758
Net assets/(liabilities)	127,634	118,817	156,794	403,245
	127,634	949,575	156,794	1,234,003
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

15. PENSION COMMITMENT

Accounting Policy:

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

Pension Note:

YMCA Essex participated in the contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA Essex and at the year end these were invested in De-risking Solutions.

The most recent completed three-year valuation was as at 1 May 2017. Placing a value of the plan's liabilities requires a number of assumptions to be made about the future. Such assumptions include how long members might live after retiring and the return that will be generated by the plan's assets. After taking advice from the plan actuary the Trustee of YMCAs in England has adopted what they consider to be 'prudent' funding assumptions, having regard to the Employer's covenant and to financial market conditions. The Trustee's assumptions are prudent in that they are deliberately cautious about the future. Using such assumptions increases the target funding reserves and reduces the risk that the combination of the accumulated assets and future contributions will prove to be inadequate. 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 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. YMCA Essex has been advised that it will need to make monthly contributions of £1,464 from 1 May 2017. 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 approximately 7 years.

The Company has capitalised the pension deficit liability and these accounts include a provision of £114,325 (2019: £130,239) which represents approximately 7 remaining years.

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

16. ULTIMATE CONTROL

The group is ultimately controlled by the Board of Trustees.

17. RELATED PARTY TRANSACTIONS

During the year YMCA Essex paid rent totalling £115,154 (2019: £112,340) to Blackburn YMCA for the use of premises in Colchester, owned by Blackburn YMCA. The Chief Executive of YMCA Essex is a member of the board of trustees of Blackburn YMCA.

18. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

There are no specific judgements, apart from those involving estimates as detailed below, that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

YMCA Essex  
(Limited by Guarantee)  
Charity Registration No. 1054070  
Company No. 3171206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates can differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of tangible assets and note 2 for the depreciation policy in respect of each class of asset.