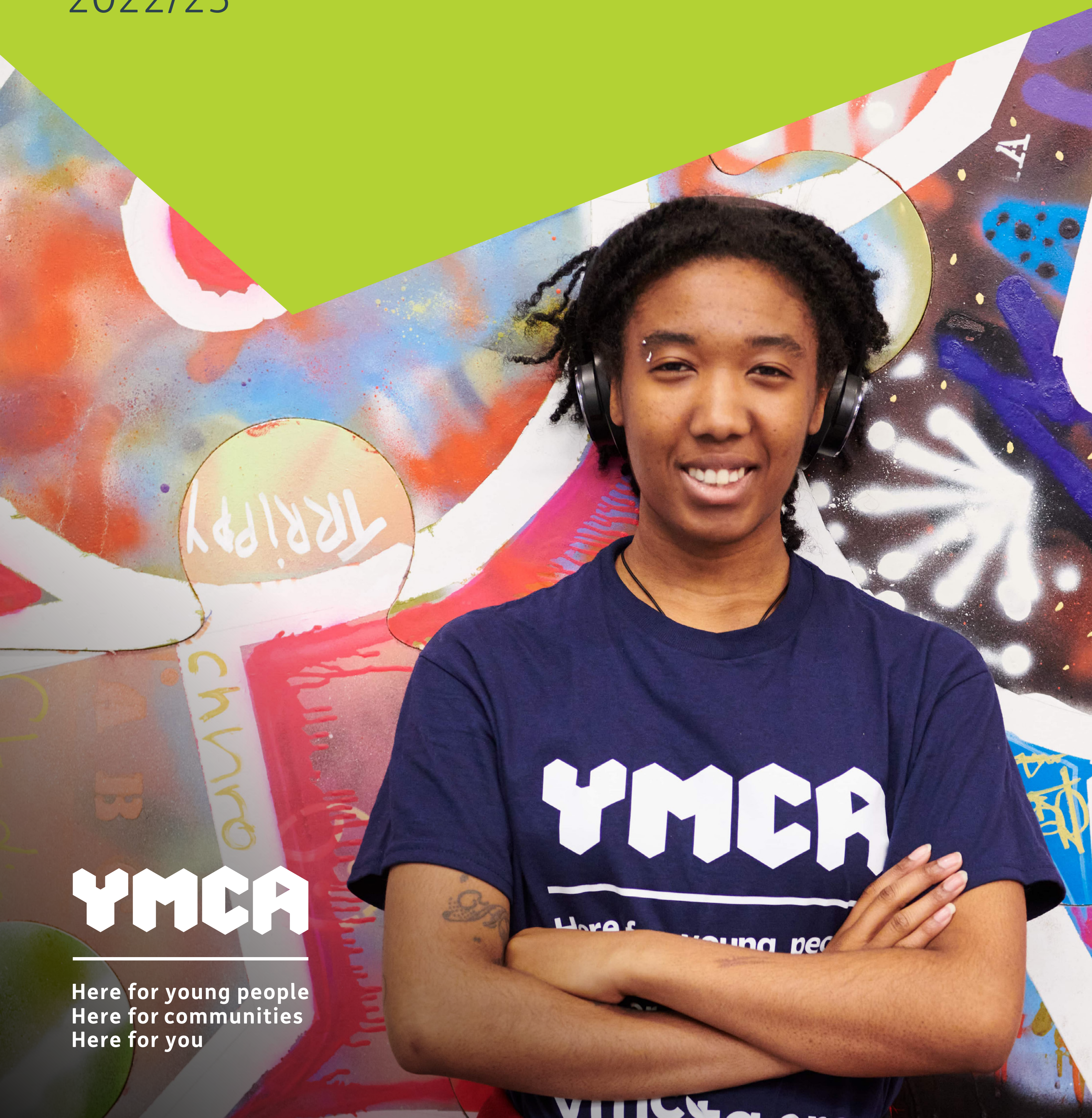
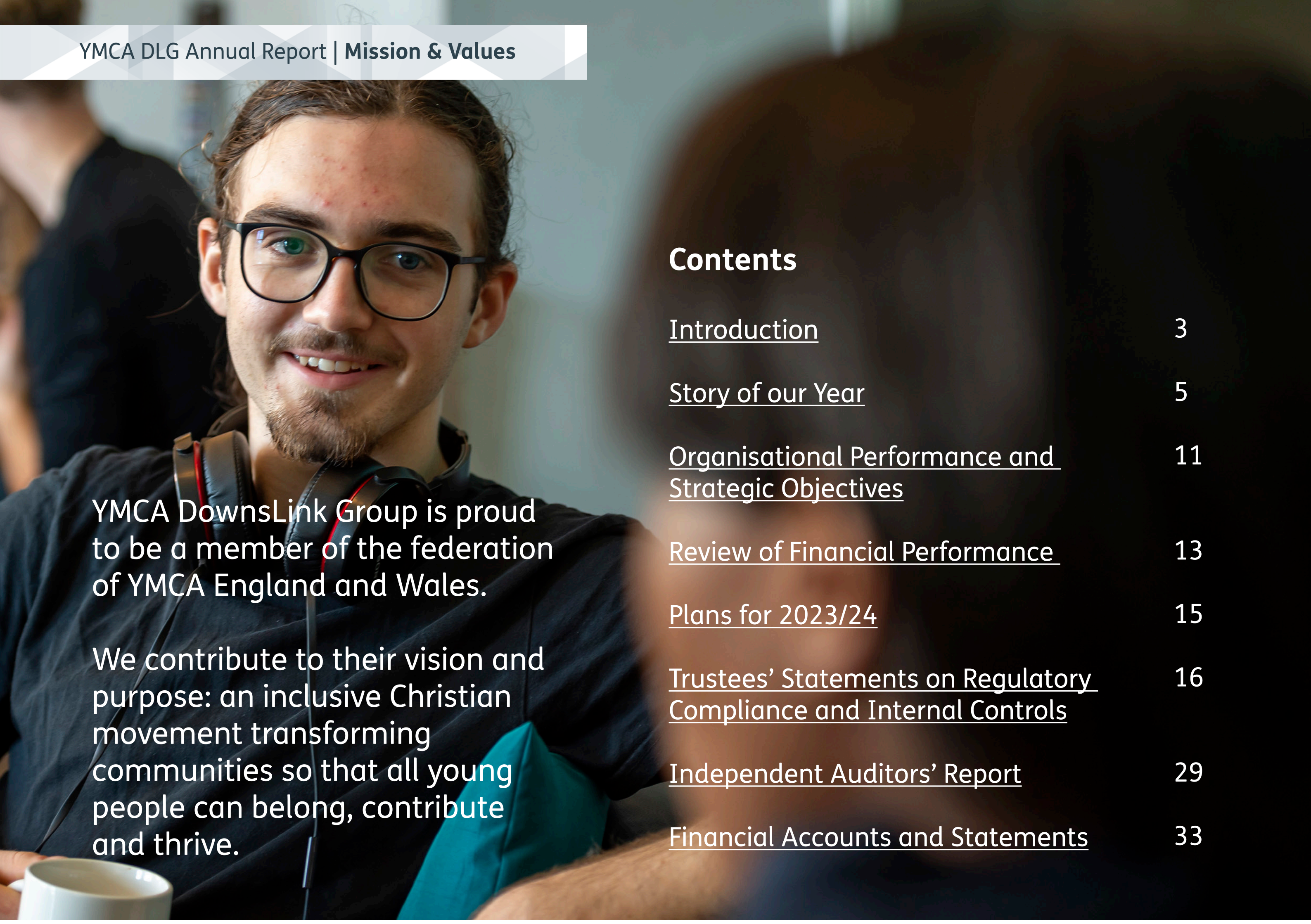
YMCA
DOWNSLINK GROUP

Annual Report

2022/23



Here for young people
Here for communities
Here for you



YMCA DownsLink Group is proud to be a member of the federation of YMCA England and Wales.

We contribute to their vision and purpose: an inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

Contents

Our mission

To help children and young people have a fair chance to be who they want to be.

We do this by providing a safe home, increasing life skills and self-confidence, and improving emotional wellbeing and mental health.

Our values

We welcome all who need space to feel secure, respected, heard and valued

We inspire people to realise their full potential

We support people to maximise opportunity and choice

We speak out on the issues that are important to children and young people and help them find their own voice

2022/23

Our Year in Numbers

9,378

children, young people and families used our services

5,423

children and young people provided with counselling support

672

young people given a home every night

86%

residents ready to move on did so successfully

444

chaplaincy meals shared across our housing projects

Around 120,000 young people face homelessness in the UK, not counting the hidden homeless; 40% of 16 to 24-year-olds have sofa-surfed or lived in temporary accommodation at some point.[1]

1 Centrepoint Databank 2022

A Year of Resilience: Reflecting on the Year 2022/23

Chair's Introduction

The year 2022/23 has been a challenging time for everyone, including our YMCA. As we emerged into a post-Covid world, who could have foreseen a war in Europe that would spark a cost-of-living crisis and jeopardise our fragile post-pandemic recovery?

It's now well understood that the pandemic had a huge impact on the wellbeing of children and young people. For our YMCA this has meant a huge increase not only in the number of children and young people needing support, but also a significant increase in risk and complexity.

We have all felt a desire to do more and yet the cost-of-living crisis, which sparked interest rates rises and spiralling utility bills, negatively impacted our finances and contributed to us making a significant operating loss. Such challenging external factors necessitated a strong focus for the leadership team on consolidation and sustainability. Tough decisions were made to reinvest in our core mission of supporting young people at risk of homelessness. This detailed strategic work has led to the launch of a new three-year strategy that aims to deliver psychologically informed services, co-created with young people, whilst stabilising our financial reserves to weather external shocks.

Our staff and volunteers are the backbone of our organisation and their resilience in the face of these challenges is remarkable. The cost-of-living crisis has impacted them too, so despite the financial challenges, I'm pleased that we are committed to being a Real Living Wage Employer and stuck to our annual pay award. We faced another big change in 2022 as we said goodbye to our CEO, Chas Walker. We're grateful to Chas for his commitment and hard work on behalf of the organisation and wish him well. At the time of writing this I'm delighted to say that Emily Brock has started as our new CEO. With her wealth of senior leadership and change management experience, we're looking forward to a period of positive transformation.

The impact of what we do every day is what drives us all and, despite the external challenges, we have made a difference to so many young people. I've been touched by so many of the individual stories which really show our impact, such as Ben's story. Now a successful chef in his 30s, Ben got in touch to share how being given a supportive home with us when he was made homeless at 15 changed the course of his life.

Thank you to our staff who create change and make the difference. Thanks also to our volunteers, partners and supporters who continue to be so generous in their support of our charity.

Fran Beckett
Chair of Board of Trustees

CEO's Introduction

I am delighted to have joined YMCA DownsLink Group as Chief Executive at this key moment for the organisation. In the last 10 years, the organisation has positively impacted the lives of thousands of children, young people and families in our community. I'm committed to building on this legacy and driving the organisation forward with passion and purpose.

This Annual Report reflects the increasing need and complexity of issues for those we support and the strain this has put on our staff, services and finances. Our new strategy for the period 2023-2026 sets a clear vision that will help us focus as we respond to these pressures, although we will need to be innovative, flexible and agile to address them effectively. These are sector wide challenges, so I believe that working in partnership with other organisations, government and statutory services will be crucial to ensure we can continue to deliver quality services to those who need them most.

Much has been achieved in 2022/23 to set the groundwork for delivering our strategic priorities which include, delivering psychologically informed services, amplifying youth voice and leadership, and being a great place to work. Underpinning these ambitions is our firm commitment to equity, diversity and inclusion, exemplified by a new action plan, co-created in 2022 with colleagues, trustees and young people.

I'm grateful for the dedication of our staff, volunteers, partners, and donors. I'm looking forward to working with you to build a brighter future for more children and young people.

Emily Brock
Chief Executive Officer

Preventing and Tackling Youth Homelessness in our Communities

Across Sussex and in Guildford we continued to provide high quality supported accommodation for children and young people at risk of homelessness. In 2022/23 we provided 1,056 young people with a safe home, alongside holistic support, including access to education, training, or employment to give them the tools to live independently. Of those that were ready to 'move on', 86% did so successfully.

Significant trends in 2022/23 included an increase in unaccompanied asylum seeking children (UASC) and care leavers aged 16-17. Our project workers work with each resident to help them develop the skills they need to live independently or refer them to specialist services, such as mental health support. Our Inspire Coaches guide residents into work, training, or education.

> Many of our residents have experienced trauma; **68%** have mental health needs, **60%** leave home after a family breakdown and roughly **33%** are care leavers.

Adi's story

Adi is an unaccompanied asylum seeking young person who was born in Eritrea and grew up in Ethiopia.

His journey to the UK took him through many countries. Shortly after he arrived in the UK, he was offered a home at our Guildford Foyer. As a child Adi spent hours watching movies and acting out the scenes for his friends, so, our Guildford Inspire Coach introduced Adi to a local theatre company. He was given the opportunity to get involved with touring dance companies, acting workshops and gain career advice.

Following this, Adi was offered a funded place at Guildford Shakespeare Youth Company. He auditioned and secured the lead role in their production of Hamlet and wowed the audience with his performance. As well as his talent for the arts, Adi advanced quickly through college, moving from a basic English class to GCSE level classes. Adi's commitment to his education involved taking a three hour round trip journey to college and his hard work paid off when in June 2022 he passed his GCSEs.

Adi's journey has been inspiring and his achievements were recognised nationally when he won the Lewis Sewell Memorial Award at YMCA England and Wales Youth Matters Awards for courage, resilience and positivity. Not only was the award given to him by celebrated choreographer, Arlene Phillips, but he also won a place in a West End show.

"It doesn't matter where you started, anything is possible."

Changes to our Accommodation Provision and Housing Related Support

In 2022 we welcomed Satnam Kaur as Director of Housing & Community Services. Satnam is currently developing a housing strategy to ensure that our provision is of consistent quality across all locations and meets regulatory standards so we can achieve our goal of becoming Ofsted accredited.

In 2022, we also took the strategic decision to sell The Bridge in Guildford. Since 2016 it had been run as student accommodation after our provision for young people facing homelessness had moved to a purpose-built Foyer. In April, the building was sold to a leading provider of student accommodation and the proceeds will be reinvested into supporting our core mission.

Ufi VocTech Trust funding is helping us build an **innovative e-learning platform**, co-created with residents and staff, to learn essential life skills such as budgeting and meal planning.

Chaplaincy

In 2022 we commissioned an independent review to understand Chaplaincy's impact, reach, and relationship to our values. It found that our chaplaincy service is at the heart of our housing projects. Both staff and young people spoke extremely highly of the service and of the pastoral care it provides. Chaplaincy connects deeply to the core value of, 'we welcome all'. But, more than that, it was consistently found to create a sense of 'family' within our projects.

Mapalo had a difficult childhood. When she was seven, her mum suffered a heart attack which permanently altered her personality. Not only was this scary for Mapalo, but it completely changed their relationship.

Her mum regularly threw her out of the house and sent her to school with her belongings packed into a suitcase. Each time it happened Mapalo would have to go to her teachers, present herself as homeless, and the teachers would call her mum to insist she let her back home.

When Mapalo turned 18, her teachers were able to help her secure a home in our 24 hour supported accommodation. She was nervous about what life at YMCA might be like, but she settled in quickly, made friends and was supported through her A-Levels. Staff would wake her and give her breakfast before her exams to help her get through this stressful time.

During her time with us, Mapalo threw herself into every opportunity, developing her confidence, independence and life-skills. She travelled with a small group of staff and residents to Denmark to represent YMCA DownsLink Group at the YMCA World Conference. She gave an interview to the BBC about the impact of the cost-of-living crisis and bravely shared her story for our Christmas fundraising campaign.

After working exceptionally hard, Mapalo passed her A-levels and was accepted into university to study midwifery in January 2023. We're delighted to report that she is thriving and loving her course.

Supporting Children and Young People with their Mental Health

Mental health challenges for children and young people have continued to increase. In 2022/23 we provided therapeutic support to 5,423 children and young people via our schools and community counselling. We experienced a significant rise in demand across all services, leading to increased wait times.

Working with the Child and Adolescent Mental Health Service (CAMHS) and the Youth Emotional Support (YES) Service, we launched the Single Point of Access for Mental Health (SPOA) which provides young people, families and professionals with a simple referral for mental health support in West Sussex. In addition, we continued to work in partnership with the West Sussex Multi Agency Mental Health Education Triage (MAMHET) to reduce the risk of suicide by young people.

Over **20,000 unique visits** to our digital wellbeing service, e-wellbeing, which offers support to young people and professionals on mental health and emotional wellbeing issues.

Supporting Young People in their Community

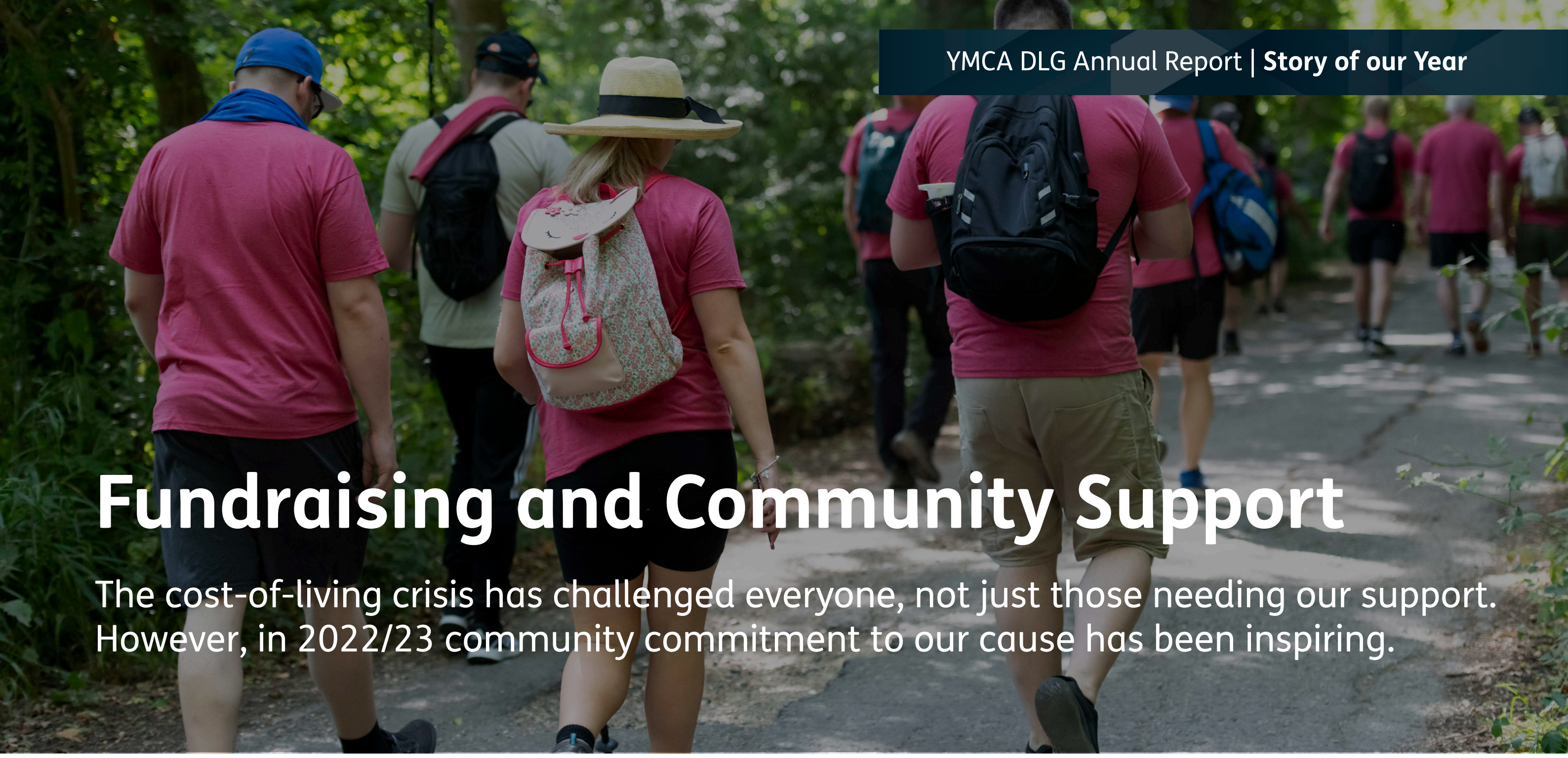
Since 2010, there has been a 68% reduction in spending by Brighton and West Sussex[2] on youth services. These services often act as a safety net for young people, and without them, issues may go unaddressed leading to long-term consequences. Despite the difficult funding conditions, in 2022/23 we were able to maintain our essential youth services, such as our Youth Advice Centres in Brighton and Crawley and delivered groundbreaking projects such as Room to Rant and our service for young people who've experienced, or at risk of, sexual exploitation (WiSE).

2 Brighton and West Sussex. Evidence YMCA England and Wales 2023 Generation Cut Report

987 children and young people accessed our support & advice services in Brighton & Crawley.

WiSE supported **140** children and young people who've experienced sexual exploitation.

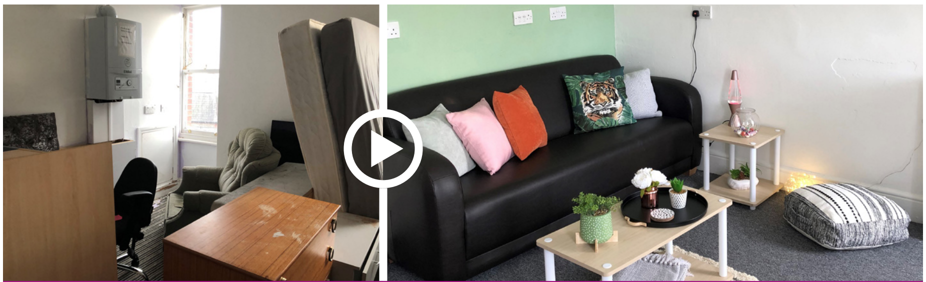
Innovative rap project, **Room to Rant**, supported young men with their mental health.



Fundraising and Community Support

The cost-of-living crisis has challenged everyone, not just those needing our support. However, in 2022/23 community commitment to our cause has been inspiring.

These are just a few examples of how our community came together to support us

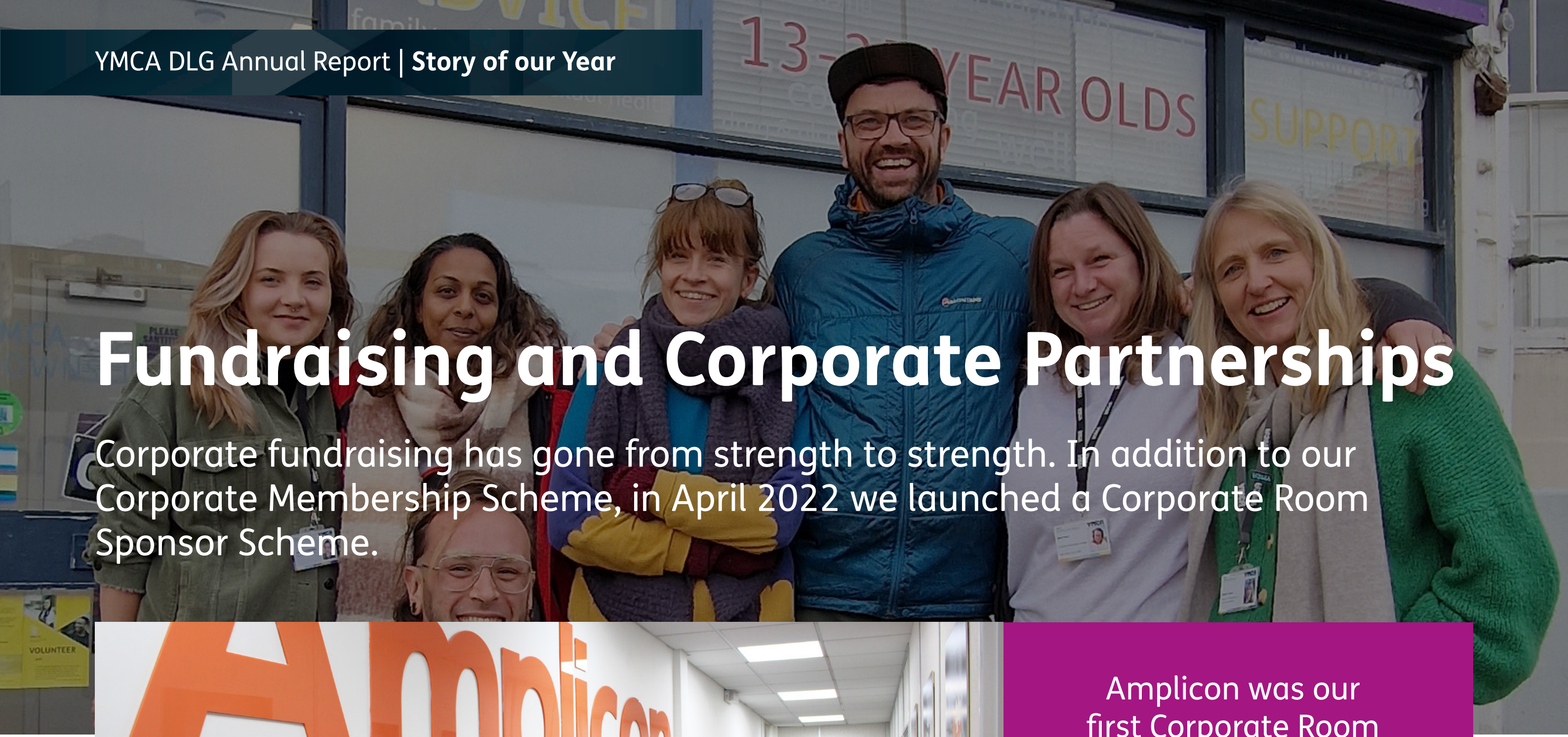


BEFORE and AFTER: Two residents wanted to create a relaxing space. With a donation from the Mayor of Hailsham, and a lot of hard work, they turned a disused office into a welcoming lounge.

UK Harvest ran sessions to show our residents how to reduce food waste and make delicious meals on a budget.

Brighton artist Carina hand-painted a beautiful mural in the communal area in our young families project at Gocher Court to create a colourful space for the families to enjoy every day.

GoodGym volunteers combine exercise with service by running to projects and getting stuck into whatever needs doing - here a much needed garden makeover.



Fundraising and Corporate Partnerships

Corporate fundraising has gone from strength to strength. In addition to our Corporate Membership Scheme, in April 2022 we launched a Corporate Room Sponsor Scheme.

Amplicon was our first Corporate Room Sponsor!

Since then, 10 more businesses have signed up and we've a growing pipeline of opportunities.

Dynamo started as a Corporate Room Sponsor but have continued to develop a relationship with us by offering mentoring to residents, creating fundraising events and volunteering at our projects.

In July we ran our second DownsLink Challenge which raised £17,000.

Some supporters also took on their own unique challenges, such as the adventurous Kelvin, who took on the epic Scilly Swim and raised £10k in the process.

Young People: Speaking Out, Standing Up, Giving Back

One of the highlights of 2022/23 was seeing and hearing from the young people we work with. Across our projects many young people shared their personal experiences to raise awareness of the issues facing them. Many have also wanted to ‘give back’ and take part in community and fundraising events.

Josh from Hailsham and a group of our young people from Guildford Foyer helped raise the profile of our flagship participation event, YMCA DownsLink Challenge. Josh has since gone on to become an ambassador for YMCA England & Wales.

Our e-wellbeing ambassadors worked tirelessly to provide resources for young people around mental health. From sharing their experiences and tips on vlogs to leading our Mental Health Champions project in schools. They also fed into important NHS research.

Nova shared their music with us and their experiences of discrimination.

Mapalo gave an interview to BBC News and attended a world YMCA event in Denmark.

Hayley shared her story directly with funders to show how our YMCA has changed her life.

Organisational Performance and Strategic Objectives

Strategy

Despite the challenge of unpredictable external events, in 2022/23 we achieved many of the strategic goals set out in the 2022/23 interim strategy, Strong Foundations. This work focused on achieving a better balance between our mission and resources while establishing a robust operational and financial foundation.

Key strategic initiatives included enhancing the capabilities of our people function, embedding functional work methodologies, and fostering a more inclusive environment where every voice holds genuine influence. Additionally, we embarked on addressing the industry-wide challenges in recruitment and retention, resulting in voluntary staff turnover returning to pre-Covid levels (15.6%).

To align our services with our strategic priorities more efficiently, we reviewed all our projects against our missional priorities, risk tolerances and financial operating principles. We also reviewed our referral thresholds and service focus to ensure operational clarity.

Key strategic decisions included:

- focus on core service users, children and young people up to 25
- development of clear exit plan for our adult service provision
- continued geographic commitment to Sussex and Surrey
- commitment to keep referrals to commissioned thresholds
- enhanced clinical assurance in our therapeutic services
- future projects to be assessed against agreed criteria within the business development framework to ensure financial viability

In 2022/23 we began a significant piece of work on how we manage, maintain, and invest in our property assets, including rent management and referrals. This detailed work will feed into a comprehensive Asset Management Strategy, which will be finalised in 2023. At the same time, we have scrutinised our business planning, financial sustainability, risk appetite and forecasting. Taken together, the culmination of this strategic work will be integral to ensuring our core financial stability.

Another key strategic objective, reflecting the complexity of the internal and external factors impacting our sector, was to update and review our organisational risk register. Alongside this review, we also overhauled our risk management approach to better anticipate and mitigate potential issues.

In 2022/23 we began implementation of a planned programme of investment in our ICT infrastructure. This crucial work will ensure that our IT systems are future proof and comply with the requirements of our commissioned services.

Lastly, we began work on the development of a three-year strategy, which we are delighted to report was ratified by our trustees in July 2023. Underpinning the process was a collaboration with The Centre for Youth Impact to develop a ‘theory of change’ and an extensive consultation process with both internal and external stakeholders including colleagues, young people who use our services, partners, commissioners, donors and trustees.

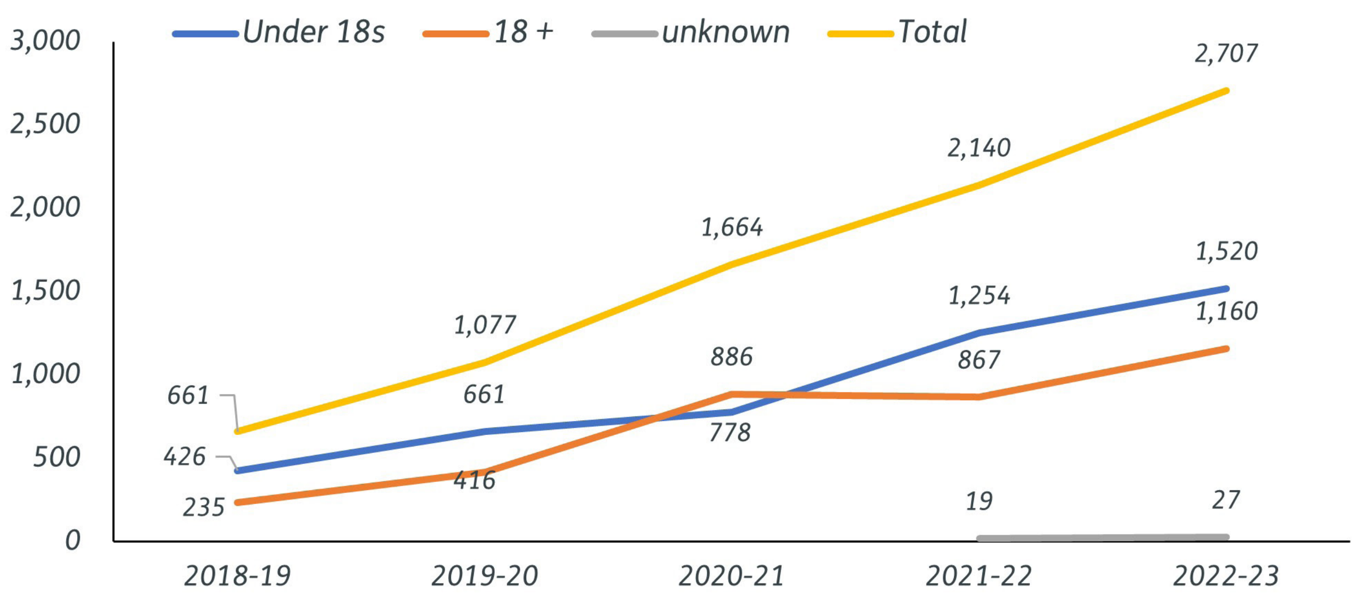
Our strategic performance in 2022/23 reflects our commitment to our mission and values, in the face of complex challenges. The strategic work outlined above, including improved operational efficiency, financial scrutiny and the development of a long-term strategy, will ensure that we continue to be a leading provider of high-quality services to children and young people in Sussex and Surrey. By continuing to take a leading role in local and national networks, as well as maintaining effective relationships with peers, commissioners and partners, we can continue to help shape and improve the sector.

Safeguarding

We’re operating in unprecedented times as we continue to adjust to the legacy of the pandemic, the cost-of-living crisis and over a decade of under-investment in health, social care and education. As prevention and earlier intervention provision has declined, and complexity and demand have increased, more and more is being asked of our organisation to fill the gaps. This has resulted in a 24% increase in safeguarding activity on the previous year.

In response to the challenge, we’ve strengthened our safeguarding capabilities through a specialist safeguarding team to support operations, investment in training and development, and robust audit and review mechanisms to quality assure. Significant work has been undertaken to ensure we operate within our clinical and service thresholds with our stakeholders in the NHS and local authorities. Mental health, self-harm and suicide ideation are our biggest risks and we have invested in our clinical governance to manage this.

Increase in safeguarding incidents year on year



Review of Financial Performance 2022/23

Income and Expenditure Summary	2023	2022	Movement
	£'000	£'000	
Income	16,727	16,252	3%
Operating costs	(17,867)	(16,244)	(10%)
Underlying operating surplus / (deficit)	(1,140)	8	(14,350%)
Pension revaluation / rebasing	-	(75)	100%
Disposal of The Bridge, Guildford	(2,118)		(100%)
Operating surplus / (deficit)	**(3,258)**	**(67)**	(4,763%)
Net interest and unrealised gain on investments	(136)	(80)	(70%)
Deficit for the year	**(3,394)**	**(147)**	**(2,209%)**

Review of Financial Performance 2022/23

Summary
The underlying operating deficit of the organisation amounted to £1,140,000 following a challenging year with global political and economic uncertainty impacting the organisation, specifically the rising impact of energy prices, interest rates and inflation. The total operating deficit amounted to £3,258,000 due to the accounting treatment of the disposal of one of our non-missional buildings, The Bridge, Guildford.

Income
Our income of £16,727,000 (2022 - £16,252,000) increased by 3%. We saw growth in our Therapeutic Services offer. Within Housing Services our income grew as we delivered new Older Looked After Children (OLAC) and Unaccompanied Asylum-Seeking Children (UASC) support contracts and reported a full year of income from the Foyer in Hastings.

Expenses
Operating costs increased by 10% to £17,867,000 (2022- £16,244,000) impacted by various factors in addition to the costs associated with our increase in income. As our fixed term utility contracts came to an end in the summer of 2022, we were adversely affected by the global utility price increases, seeing an additional spend of £400,000 for the year, with a restriction on passing the cost increases to our residents due to tenancy agreements and rent regulations. As the cost-of-living crisis grew, alignment to prior external salary benchmarking had become dated so a pay increase was awarded in October in addition to the April rise increasing salary costs in total by £360,000.

The Sale of The Bridge, Student Accommodation, Guildford
In June 2022 we disposed of the student accommodation, The Bridge in Guildford, for £4,100,000 as the delivery of student accommodation sat outside our mission. As the purchaser was not a registered housing provider, we retained the £3,200,000 Homes England grant attached to the building to recycle. The transaction has resulted in an accounting loss due to the treatment of the grant when we adopted FRS 102 in 2014. At the time the grant was recognised in the opening reserves. On disposal of The Bridge the recycled grant has been reinstated as a liability resulting in an overall £2,118,000 deficit.

The recycled grant of £3,200,000 is subject to interest at the Bank of England base rate until the grant has been repurposed. Over the nine months the grant has increased by £68,000 of interest. This interest has been expensed in the year-end accounts and can be added to the recycled value to repurpose.

Reserves and Liquidity

The charity has accumulated reserves of £6,361,000 including restricted reserves of £169,000. These reserves are invested in Housing Services property used to meet the charity's strategic objectives of supporting vulnerable young people to belong, contribute and thrive. As a registered social housing provider, as well as a charity, our financial viability is managed by means of a rolling five-year business plan, which considers cash flows, borrowings, bank covenant compliance and the repairs and maintenance of our existing properties, together with the acquisition and development of new projects. With the current external financial situation, business planning has taken on an even greater importance as we model and assess different proposals to ensure the financial viability of the organisation during these unprecedented times.

The free reserves within the organisation amount to £980,000. This year trustees have refreshed the target for free reserves to £2,000,000. Free reserves represent unrestricted funds less the pension reserve and amount invested in property, net of grants and loans from The Rosaz Charity. Measures are being taken to generate further free reserves to reach this new target.

Following the sale of The Bridge, cash proceeds mitigated the need for loaned funds through our lender Charity Bank. As a result, our loan agreement has been temporarily changed into an accessible credit facility with the ability to draw down and pay back funds at short notice. The result has been the return of cash to Charity Bank, mitigating current interest rate growth. We have retained our loan of £850,000 from the The Rosaz Charity with an interest rate in line with Bank of England base rate repayable no earlier than September 2044.

The charity has a cash management policy to hold a minimum of £1,500,000 in cash. At the end of the financial year the charity had cash of £3,462,000 and this could cover three months of running costs.

Plans for 2023/24

We have developed a new strategy which sets out YMCA DownsLink Group's ambitions from 2023 to 2026 in consultation with colleagues, service users, partners and our trustees. The strategy identifies three priorities including delivering psychologically informed services, amplifying youth voice and becoming a great place to work. These priorities will be enabled through a focus on financial effectiveness and stability, a commitment to learning, and a continued focus on equity, diversity and inclusion.

The strategy was approved by the Board of Trustees in July 2023 and has now been launched in September 2023. An annual plan for 2023/24 has been developed to guide the first year of strategy implementation.

Our core services are aimed at 16-24 year olds and include:
- Housing Services
- Mental Health Services
- Support and Advice

Financial Outlook

The year 2022/23 has demonstrated the challenging economic environment in which YMCA DLG has been operating in concluding in an operating deficit. The Board of Trustees has acknowledged that for year 2023/24 there is a budgeted operating deficit mitigated by the sale of a building asset. The net impact of this will be a preservation of cash reserves for this new financial year. This will allow time for the development and implementation of additional plans to return the organisation to an operating surplus for the year 2024/5.

Principal Risks and Mitigation

The organisation has a well-developed approach to strategic risk management and the strategic risk register provides details and mitigation of the 10 most material risks and mitigations. The Executive Team discuss the register monthly and then reported quarterly to each of the trustee sub-committees for each of the relevant subjects applicable to these committees. In turn the sub-committees then report quarterly to both the Audit and Risk Committee and the Board of Trustees. The following are the highest risks in the organisation and how they are being mitigated:
- Death and risk of harm to our service users is an ongoing risk considering the vulnerable young people that are within our care and accommodation. Robust safeguarding policy, processes and risk assessments are instrumental in managing this. Serious incident reviews are a key tool in continuous learning as is the targeted training of our front-line staff.
- Staff retention, especially for front line roles, is an industry-wide challenge matching remuneration to the very real challenges of the pressures of looking after young people. Learning and development pathways, rewards and benefits in line with the external market and work-force planning are all mitigating themes that are in continual assessment to continue our improvement in staff retention.
- Financial sustainability remains one of YMCA DLG's highest risks amongst the backdrop of economic conditions in 2022/23 and 2023/24. Mitigations include contracting opportunities for electricity and gas as a result of falls in the cost on the energy markets. The non-utilisation of our credit line with Charity Bank mitigating borrowing costs, and the development of business reengineering plans ready for the start of 2024/25.

List of Trustees and Advisers

Registered Office
Reed House, 47 Church Road Hove, East Sussex BN3 2BE
Charity Number: 1079570
Company Number: 3853734
Homes England Registered Number: 4644

Trustees
Fran Beckett, Chair
Erin Barnes
Ingrid Beatty (end of term of office 17 January 2023)
Michael Chawatama
Michael Gercke
John Holmstrom
Nick Mourant (appointed 3 February 2023)
Andrew Newell (appointed 6 January 2023)
Caroline Stearman
Andrew Taylor (resigned 17 November 2022)

Company Secretary
Kirsty Bunning (resigned 21 July 2022)
Baldeep Dhol (appointed 21 July 2022)

Audit and Risk Committee
Erin Barnes, Trustee
Chris Fisher, Independent Committee Member (appointed 2 November 2022)
Michael Gercke, Trustee (resigned from committee 18 April 2023)
John Holmstrom, Trustee and Chair
Nick Mourant, Trustee (appointed 3 February 2023)
Andrew Newell, Trustee (appointed 6 January 2023)
Zarina Switlyk, Independent Committee Member (appointed 2 November 2022)

People and Remuneration Committee
Ingrid Beatty, Trustee (end of term of office 17 January 2023)
Fran Beckett, Trustee
Michael Chawatama, Trustee
Caroline Stearman, Trustee and Chair

Resources Committee
Fran Beckett, Trustee
Michael Gercke, Trustee
Nick Mourant, Trustee and Chair (appointed 3 February 2023)
Andrew Newell, Trustee (appointed 6 January 2023)
Andrew Taylor, Trustee (resigned 17 November 2022)

Impact and Services Committee (Established April 2023)
Erin Barnes, Trustee and Chair
Fran Beckett, Trustee
Michael Chawatama, Trustee

Leadership Team
Chas Walker, Chief Executive Officer (resigned 16 November 2022
Andrew Taylor, Interim Chief Executive Officer (appointed 17 November 2022, end of term 31 March 2023)
Jayne Grier, Interim Chief Executive Officer (appointed 17 April 2023, end of term 4 August 2023
Emily Brock, Chief Executive Officer (appointed 12 July 2023
Rachel Brett, Director of Children and Young People
Baldeep Dhol, Director of Finance and ICT
Jayne Grier, Director of People and Culture
Nikki Mason, Director of Fundraising and Communications
Satnam Kaur, Director of Housing and Community Services

Principal Solicitors
DMH Stallard LLP
Gainsborough House Pegler Way Crawley RH11 4FZ

Principal Bankers
The Royal Bank of Scotland PLC
156 High Street, SouthamptonSO14 2NP

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

Internal Auditors
Mazars LLP
Tower Bridge House, St Katharine's Way, London E1W 1DD

Trustees' Statements on Regulatory Compliance and Internal Controls

This section of the report sets out YMCA DLG's compliance with external regulatory bodies and key external legislation relevant to the Annual Report. These are:
- The Charity Commission
- The Fundraising Regulator
- The Regulator of Social Housing
- The Housing Ombudsman
- The Information Commissioner's Office
- The Companies Act 2006

The Charity Commission

YMCA DLG is governed by its Articles of Association and was incorporated on 24 September 1999 as a company limited by guarantee, taking over the charity Hove YMCA. The charity evolved through several YMCA mergers, including Mid Sussex, Horsham and Lewes district, Guildford and finally Eastbourne & Wealden in 2018.

The charity has directors' and officers' liability insurance in place. The Board of Trustees is the central decision-making body of the company and comprises of eight trustees at the time of signing.

The Board meets at least six times a year. During 2022/23 there were three sub-committees:
- Audit and Risk committee
- Business Planning and Finance committee
- People and Participation committee

From 1 April 2023 YMCA DLG operates four committees:
- Audit and Risk committee
- Impact and Services committee
- Resources committee (previously Business Planning and Finance committee)
- People and Remuneration committee (previously People and Participation committee)

These committees have defined Terms of Reference and a responsibility to report to the Board. All comply with all necessary regulations and reporting requirements set out by the Charity Commission.

Charity Commission's and Regulator for Social Housing's Code of Governance Requirement
By adopting the National Housing Federation 2015 Code, YMCA DLG meets the requirements of the Charity Commission's requirement for a Code of Governance. At the time of this report YMCA DLG has reviewed its governance and committee structure and has introduced a fourth committee to the new financial year, namely the Impact and Services Committee.

The YMCA constitution allows for up to 15 trustees and the NHF Code of Governance requires no more than 12. At the time of this report YMCA DLG has eight trustees and so complies with the Code.

Public Benefit Statement
The charity meets the Charity Commission's general guidance on public benefit. The trustees consider that YMCA DLG activities are:

- a true reflection of our charitable aims and objectives
- designed to provide accessible services and activities that benefit the public in accordance with our charitable objectives

We demonstrate the public benefit of our work in pages 5 to 10 of this report.

Statement on Investment Powers
The trustees confirm that the investments made by the charity are made in accordance with the trustees' powers as provided in the Articles of Association.

Pension Scheme
YMCA DLG recognises that there are possible risks associated with its participation in a defined benefits scheme. Appropriate action has been taken with the scheme being closed to new members in 2007, and the link to final salary ceased in 2011. Additional contributions continue to be made to reduce the deficit.

As part of the YMCA federation, the multi-employer scheme is run by an independent Board of Trustees with employer representation through the Principal Employer, the National Council of YMCAs. The pension scheme trustees obtain an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation.

We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The trustees included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity faces noted elsewhere in this Report.

YMCA DLG benefits from the pension scheme trustees and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 19.

Equity, Diversity and Inclusion (EDI)
YMCA DownsLink Group's commitment to equity, diversity and inclusion was set out in an action plan co-created with colleagues, trustees and service users for the period 2021 to 2023. Achievements in the second year of implementation included increasing staff membership of the EDI Forum by 88%, reviewing our EDI Policy and training, and developing a Transitioning at Work Policy. The EDI Forum has now agreed a set of new goals for the next 24 months alongside implementation plans.

The Fundraising Regulator

YMCA DownsLink Group's fundraising approach is to support the generation of unrestricted funding to complement our contract and commercial income streams. We also generate restricted fundraising income to support missionally important projects, mainly from philanthropic trusts and foundations.
We are registered with The Fundraising Regulator and have adopted and abide by the Code of Fundraising Practice, which ensures we have a strong fundraising framework and practice.

We are compliant with the Data Protection Act 2018 in all our fundraising activity; for example, we always record consent from donors and supporters and always offer the option to opt out of receiving emails.

Most of our campaigns and marketing work is based around PR and social media, as opposed to postal or telephone campaigns; people have already opted in to receive information from us.
We have a clear complaints process which enables us to monitor all complaints received and the nature of the complaints. The process is available to the public through the website and through complaints leaflets. This year we received no complaints about our fundraising or marketing campaigns.

Regulator of Social Housing

Housing Regulation Standards

The Board of Trustees gain assurance of the organisation's compliance with the Regulator's Economic and Consumer standards through our internal audit compliance programme, which is currently contracted with a third-party audit firm, Mazars. This programme provides compliance and quality assurance. These internal audit findings are reviewed by the Executive Team and the Audit and Risk Committee who set timelines for delivery of any rectification activity and report on progress.

The Board of Trustees can confirm that at the time of filing our Annual Report we have the following updates on three specific cases self-notified to the Housing Regulator.

1. Referred documentation in relation to building compliance. The Regulator responded stating that they are satisfied with our rectification plans and that no breach has been made.
2. In September 2021 we informed the Regulator that we were investigating the possibility that our affordable rents tenancies might be overcharged. The Regulator has concluded that there had been a breach of the Rent Standard, however not material. Fourteen affordable rent tenancies, amounting to a total to £2,624 were overcharged and have subsequently been refunded.
3. Following our affordable rents audit, we completed an investigation on our socials rents relative to the Rents Standard and reviewed our governance around rent setting and management. For 13 properties amounting to 250 units, we were unable to find the appropriate core rents evidence at the time of acquiring these buildings. This has been rectified with newly commissioned valuations for all 13 properties. The new valuations install a new core rent, and these have been investigated to our actual core rents charged. In summary, there has been an over charge of rents for 166 units and an under charge for the remaining 84 units. The 2022/23 accounts have a provision included of £261,000 in rents reimbursement. We have substantiated that these rents are not due to any individuals who paid independently of local authority funding. The £261,000 provisioned will be paid back to local authorities and communication with them will start in November 2023. The under charges are estimated to be £61,000 but there will be no attempt to reclaim such under charges, however at agreed dates we will align to the new core rents. This investigation has concluded in a detailed action plan to strengthen our governance and management of rents. We are in communication with the Regulator of Social Housing on this matter.

Homes England
YMCA DLG is an Investment Partner with Homes England. The Board of Trustees can confirm our validated 'good standing' with Homes England and that this year's development audit was given green status with no actions for improvement.

Value for Money

We continue to focus on Value for Money (VfM) as part of YMCA DLG's strategic development plan. VfM means managing our resources, both staff and monetary, economically, efficiently, and effectively, thus achieving the optimum balance between all three to achieve our mission, values and objectives. VfM has been assigned to our newly formed Resources Committee led by trustees and including a refresh of policy. The most substantial VfM activities are included in financial sustainability planning for the organisation including the completion of a revised asset management strategy, and asset stock condition requirements. In addition, our largest commissioned contracts have been reviewed for financial viability as we head into negotiations of new contract terms and tenders. This is to ensure that YMCA DLG is appropriately recompensed in an environment where commissioners are challenged in their own funding streams and are seeking to freeze or reduce funding.

Procurement remains a focus of the organisation with revised policy and tenders seeking to consolidate with key suppliers where appropriate to do so. Tenders in group and employee-related insurances have realised over £40,000 in annual savings while continuing to work with robust partners offering quality of service as well. The financial year commenced with a revised strategy to manage the organisation's information, communication, and technology (ICT). This entailed a shift from internal ICT resources to a fully outsourced partner, Trident, an ICT specialist organisation. Such engagement has resulted in a review of ICT expenditure within the organisation and a plan for future ICT strategy that offers economical consolidation and procurement.

Value for Money Metrics

The revised Value for Money Standard issued by the Regulator for Social Housing requires the publication of value for money metrics. An explanation of the metrics is set out.

1. Reinvestment percentage: 1% (2022 15%)
   The reinvestment percentage considers the investment in properties (existing stock as well as new supply) as a percentage of the value of housing properties held, demonstrating the scale of investment in relation to the size of the asset base.

   During 2021/22 the charity purchased a 47-bed hostel in Hastings.

2. New supply (social housing units) delivered percentage: 0% (2022 19%)
   The new supply percentage sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The metric does not include social housing properties transferred from another provider.

   YMCA DLG only provides supported social housing, is not a volume developer and owns less than half the units operated. The percentage increase demonstrates new social housing units entering the market. During the year the charity sold a 112-unit hostel to a non-registered provider, two units in other properties became office space and a two-unit shared property was transferred to a single occupancy. Overall, the number of units managed reduced by 115.

3. Gearing: 0% (2022 0%)
   The gearing percentage assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance, demonstrating the proportion of borrowing in relation to the size of the asset base.

   During 2022/23 we repaid our Charity Bank loan and converted it into an accessible credit facility to mitigate interest rate increases. We still hold borrowings of £850,000 from The Rosaz Charity.

4. EBITDA major repairs included interest cover %: -453 % (2022 414%)
   The interest cover metric is a key indicator for liquidity and investment capacity and seeks to measure the level of surplus generated compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

   The deficit reported this year has resulted in a negative interest cover metric. YMCA DLG do have an EBITDA covenant for our credit facility with Charity Bank. For the financial year Charity Bank have issued a covenant waiver in knowledge that the measure would not be met.

5. Headline social housing cost per unit: £18,632 (2022 £14,534)
   The social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator. As a specialist supported housing provider, this reflects the extent of support provided to YMCA DLG residents.

6. Operating margin (housing): -4.8% (2022 1.0%)
   Operating margin (overall): -6.8% (2022 -0.4%)

   The operating margin demonstrates the profitability of operating assets before exceptional expenses are considered.

7. Return on capital employed: -5.0% (2022 -0.3%)

   This metric compares the operating surplus to total assets less current liabilities and measures the efficient investment of capital resources.

The Housing Ombudsman
Complaints
We have published our self-assessment against the Complaints Code on our website.

We have complied with the Code this year with 100% of complaints received being processed in line with the Code.

The Information Commissioner's Office (ICO)
We are registered with the ICO (registration Z6157129) and comply with the Data Protection Act 2018. This year we had no reportable data breaches.

The Housing Ombudsman

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Companies Act 2006

The Companies (Miscellaneous Reporting) Regulations 2018 require trustees to have regard to the requirements of section 172 (10) of the Companies Act 2006 as to:

- the likely consequences of their decisions in the long term
- the interests of employees
- the need to foster relationships with suppliers, customers and other stakeholders
- the impact of our operations on the community and the environment
- the desirability of maintaining a reputation for high standards of business conduct

We confirm that we, as trustees, comply with this legislation; it applies to us because we have more than 250 employees.

Statement on Internal Financial Controls and Trustees' Responsibilities
As trustees for YMCA DLG we acknowledge our ultimate responsibility for ensuring that the charity has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

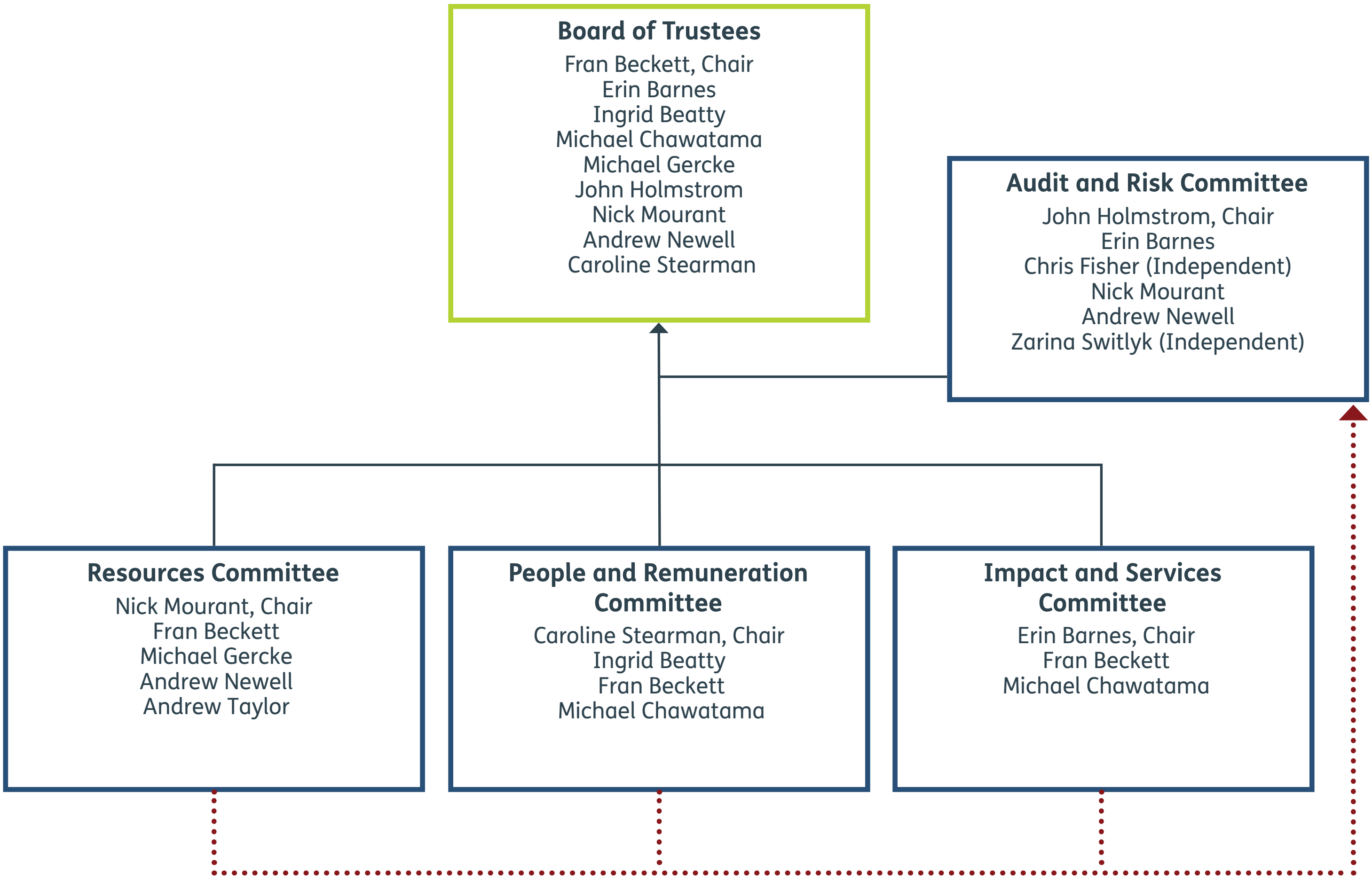
- the reliability of financial information used within the charity or for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use or disposition

Controls and procedures in place include the following:

- formal policies and procedures including the documentation of the key systems and rules relating to delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures in place to maintain standards of performance
- forecasts and budgets are prepared which allow the trustees and management to monitor the 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

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising trustees and others
- the Audit and Risk Committee review reports from management and from the external auditors to provide reasonable assurance that the control procedures are in place and are being followed
- a general review of the major risks facing the charity is undertaken by the Audit and Risk Committee
- formal procedures have been established for instituting appropriate action to correct weaknesses in the above procedures

Board and Committee Structure



The Audit and Risk Committee considers reports on key areas of risk at each of its meetings with a formal report on risk management annually to the Board.

Trustees' Responsibilities
As trustees, we are also directors of YMCA DLG for the purposes of company law. We are responsible for preparing this trustees' Report and the Financial Statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the situation of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Social Housing SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Streamlined Energy and Carbon Reporting
The UK government's Streamlined Energy and Carbon Reporting (SECR) requires organisations in scope to disclose energy use, greenhouse gas (GHG) emissions and actions taken to address energy efficiency. This includes:

- Scope 1 (Direct emissions): Emissions from activities owned or controlled by the organisation that release GHG into the atmosphere (for example, gas from onsite boilers and fuel used by fleet vehicles)
- Scope 2 (Energy indirect): Emissions released into the atmosphere associated with the consumption of purchased electricity
- Scope 3 (Other indirect): Emissions that are a consequence of actions which occur at sources not owned or controlled and are not classed as scope 2 (for example, staff mileage claims)

In addition, at least one intensity ratio, information on energy efficiency action and methodology used in calculation of disclosures must be provided.

The regulations are designed to increase awareness of energy costs and provide data to inform adoption of energy efficient measures, reducing the impact on climate change.

Emissions Performance

		Direct emissions		Energy indirect	Other indirect	Total
		Gas (Scope 1)	Fuel for transport (Scope 1)	Electricity (Scope 2)	Business travel (Scope 3)	
Current year 2022/23	Energy consumption - kWh	2,867,313	122,992	1,424,699	111,916	4,526,920
	Greenhouse gas emissions - tonnes of carbon dioxide	523	29	276	28	856
	Intensity ratio kWh per unit/resident	6,081	-	2,280	-	-
	Intensity ratio kWh per FTE employee	-	424	-	386	-
Prior year 2021/22	Energy consumption - kWh	3,303,596	137,594	1,635,535	108,052	5,184,777
	Greenhouse gas emissions - tonnes of carbon dioxide	605	32	347	27	1,011
	Intensity ratio kWh per unit/resident	6,024	-	2,292	-	-
	Intensity ratio kWh per FTE employee	-	466	-	366	-
Change	Energy consumption - kWh	-13%	-11%	-13%	4%	-13%
	Greenhouse gas emissions - tonnes of carbon dioxide	-14%	-9%	-21%	4%	-15%
	Intensity ratio kWh per unit/resident	1%	-	-1%	-	-
	Intensity ratio kWh per FTE employee	-	-9%	-	5%	-

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. The activity data has been converted into greenhouse gas emissions using the UK Government GHG Conversion Factors for Company Reporting.

Intensity Ratios
Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows comparison of energy efficiency performance over time and with other similar types of organisations. As most of our gas and electricity usage is within our residential properties, we are reporting kWh of gas and electricity per unit. The intensity ratios for transport fuel and staff mileage are based on a full time equivalent per head rate.

Energy Efficiency Action
In June 2022 we sold The Bridge, a 112-unit student hostel that, due to its size, had high consumption values. This has resulted in a reduction in our scope 1 and 2 consumption and emissions figures, however the intensity ratios of kWh per resident have stayed in line with the previous year. The smart meter roll-out programme has continued. We now have 88% of our gas meters updated and 80% of our electricity meters replaced. With this improved data collection, we can identify properties with high energy usage and target our course of action.

With the added influence of the increase in energy costs we continued our programme to reduce energy usage and increase the awareness of our residents on the impact of energy usage on climate change. We have continued with our programme to replace old lighting with LED lights, and two gas boilers have been replaced with more energy efficient ones at one of our hostels.

The amount of business travel (scope 3) has increased as we return closer to the pre-pandemic level of face-to-face meetings with clients and between staff. Staff across the organisation continue to undertake energy and environmental initiatives including aspiring to have paperless offices, arranging for old technology to be recycled, and reducing single use plastics.

Statement as to Disclosure of Information to Auditors
As far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors
A resolution to reappoint the auditors, Haysmacintyre LLP will be proposed at the forthcoming Annual General Meeting.

This Report, including both the Trustees' Report and Strategic Report, was approved by the trustees on 2 November 2023, and was signed for and on behalf of the Board by:

Fran Beckett
Chair of the Board of Trustees

Independent Auditors' Report to the Members of YMCA DownsLink Group

Opinion

We have audited the financial statements of YMCA DownsLink Group for the year ended 31 March 2023, which comprise the consolidated and company statements of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows 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 state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, 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 Private Registered Providers of Social Housing from January 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The trustees are responsible for the other information. The other information comprises the information included on pages 1 to 28. 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 Strategic Report (contained within pages 1 to 15) and the Directors' Report (contained within pages 16 to 28) 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 Report of the Board, the Operating and Financial Review and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, the Operating and Financial Review or the Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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 for the Financial Statements

As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 26, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 based on these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures can detect irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulation of registered charities and registered providers of social housing, and Health and Safety regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and the Housing and Regeneration Act 2008, and we considered other factors such as tax compliance.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls and determined that the principal risks were related to areas of estimation uncertainty and manual accounting journals. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our Report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

15/11/2023

Financial Accounts and Statements

Consolidated Statement of Comprehensive Income for Year Ended 31 March 2023

	Notes	Social Housing Activities	Trading Activities	Charitable Activities and Other Income	2023 Total	2022 Total
		£	£	£	£	£
Turnover from continuing operations						
Social housing lettings	2	12,667,218	-	-	12,667,218	12,544,132
Trading activities	10	-	34,409	-	34,409	33,410
Charitable activities and other income	4	-	-	4,026,002	4,026,002	3,674,074
		12,667,218	34,409	4,026,002	16,727,629	16,251,616
Operating costs						
Social housing lettings	3	(13,271,369)	-	-	(13,271,369)	(12,419,095)
Trading activities	10	-	(33,656)	-	(33,656)	(33,258)
Charitable activities and other costs	5	-	-	(4,562,029)	(4,562,029)	(3,865,808)
		(13,271,369)	(33,656)	(4,562,029)	(17,867,054)	(16,318,161)
Operating (deficit)/ surplus		(604,151)	753	(536,027)	(1,139,425)	(66,545)
Interest receivable and other income		40,690	-	-	40,690	328
Interest payable and similar charges		(173,574)	-	-	(173,574)	(81,206)
Unrealised gain on investments		-	-	(2,864)	(2,864)	877
Asset disposal		(2,118,378)	-	-	(2,118,378)	-
(Deficit)/ Surplus on ordinary activities		(2,855,413)	753	(538,891)	(3,393,551)	(146,546)
Net movement in funds		(2,855,413)	753	(538,891)	(3,393,551)	(146,546)

The consolidated income and expenditure of the charity and its subsidiary relate wholly to continuing operations.

These financial statements were approved and authorised for issue by the Directors on 2 November 2023 and signed on their behalf by:

Fran Beckett

Fran Beckett
Director

2 November 2023

Michael Gercke

Mike Gercke
Director

2 November 2023

The notes set out on pages 36 - 48, form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2023

Registered number: 3853734

	Notes	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
FIXED ASSETS					
Social housing properties	9	**19,746,483**	**19,746,483**	22,739,503	22,739,503
Other properties	9	**448,736**	**448,736**	456,832	456,832
Other tangible assets	9	**340,377**	**340,377**	342,180	342,180
		20,535,596	**20,535,596**	23,538,515	23,538,515
Investment in subsidiary	10	**-**	**2**	-	2
		20,535,596	**20,535,598**	23,538,515	23,538,517
CURRENT ASSETS					
Debtors	12	**1,520,611**	**1,522,368**	1,613,581	1,623,174
Investments	11	**32,596**	**32,596**	35,460	35,460
Cash at bank and in hand		**3,462,439**	**3,449,927**	3,224,477	3,204,312
		5,015,646	**5,004,891**	4,873,518	4,862,946
CREDITORS					
Amounts falling due within one year	13	**(3,018,768)**	**(3,018,768)**	(3,046,602)	(3,046,184)
NET CURRENT ASSETS		**1,996,878**	**1,986,123**	1,826,916	1,816,762
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,532,474**	**22,521,721**	25,365,431	25,355,279
CREDITORS					
Amounts falling due after one year	14	**(16,171,965)**	**(16,171,965)**	(15,611,371)	(15,611,371)
NET ASSETS		**6,360,509**	**6,349,756**	9,754,060	9,743,908
FUNDS					
Unrestricted funds	16	**6,191,237**	**6,180,484**	9,649,364	9,639,212
Restricted funds	15	**169,272**	**169,272**	104,696	104,696
		6,360,509	**6,349,756**	9,754,060	9,743,908

These financial statements were approved and authorised for issue by the Directors on 2 November 2023 and signed on their behalf by

Fran Beckett

Fran Beckett
Director

2 November 2023

Michael Gercke

Mike Gercke
Director

2 November 2023

The notes set out on pages 36 - 48, form part of these financial statements

Consolidated Statement of Cash Flows for Year Ended 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flow from operating activities					
(Deficit)/ surplus for the year			**(3,393,551)**		(146,546)
Adjustments for non-cash items:					
Depreciation	8	**528,015**		579,852	
Decrease / (Increase) in debtors		**92,970**		(243,428)	
(Decrease) / Increase in creditors		**(672,711)**		316,885	
Reinstated Homes England grant		**3,279,676**		-	
(Gain) / Deficit on disposal of property		**(1,334,694)**		2,534	
Deficit on disposal of other assets		**-**		170	
Unrealised investment loss / (gain)		**2,864**		(877)	
Interest payable		**173,574**		81,206	
Interest receivable		**(40,690)**		(328)	
			2,290,267		736,014
Net cash inflow from operating activities			**(1,103,284)**		589,468
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	**(315,402)**		(3,073,263)	
Sale of tangible fixed assets		**4,125,000**		712	
Grants received		**-**		1,614,950	
Interest received		**40,690**		328	
			3,850,288		(1,457,273)
Cash flow from financing activities:					
Loan interest paid		**(173,574)**		(81,206)	
Repayment of loan		**(2,335,468)**		(67,355)	
New loan		**-**		1,400,000	
			(2,509,042)		1,251,439
Increase in cash in the year			**237,962**		383,634
Net cash funds at beginning of year			**3,224,477**		2,840,843
Net cash funds at end of the year			**3,462,439**		3,224,477

Reconciliation of net cash flow to movement in (net debt)/net funds

	1 Apr 2022	Cashflows	Non cash changes	31 Mar 2023
Cash	3,224,477	237,962	-	3,462,439
Debt due within one year	(86,809)	-	86,809	-
Debt due after one year	(3,098,659)	2,335,468	(86,809)	(850,000)
	39,009	2,573,430	-	2,612,439

The notes set out on pages 36 - 48, form part of these financial statements

Notes to the Financial Statements for Year Ended 31 March 2023

1. ACCOUNTING POLICIES

a) Status

YMCA DownsLink Group (YMCA DLG) Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE. It is also registered as a charity with the Charity Commission in England and Wales (number 1079570) and as a Registered Provider of Social Housing with the Homes and Communities Agency in England (number 4644).

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

Basis of Preparation

The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102, and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

Basis of Accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are re-measured at each balance sheet date.

The main areas of estimation and judgement affecting the accounts:

Depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

Accrual for Deficit Contribution to the Defined Benefit Pension Scheme

As set out in note 1(g) a liability is recognised in respect of the present value of the expected future contributions to alleviate the pension deficit arising from past service. The liability recognised is affected by the discount rate applied and the undiscounted underlying liability will also vary depending on the results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed as at 1 May 2020 and the resulting changes to the schedule of contributions are included in YMCA DLG's financial statements for the year ended 31 March 2023.

Provisions

Full provision is made for the value of all personal debts relating to past residents in YMCA DLG's accommodation projects. It is possible that some of these amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where it is considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.

No complex financial instruments are held.

YMCA DLG is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DLG Services Ltd is included on a line by line basis.

Going Concern

Following an assessment of our financial position, the resources available going forward, and the cash flow position for the next 12 months to November 2024, the trustees believe that the organisation can manage organisational risks and the forecasting of financials, concluding to a reasonable expectation that YMCA DLG has adequate resources to continue operating for the foreseeable future. Trustees have concluded that material uncertainty does not exist and continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Turnover

Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and Homes England, contracts and charitable receipts, all net of VAT.

c) Supporting People Contract

The charity receives funding from Supporting People which is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

d) Donations and Grants

Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).

e) Investment Income

Investments are included in the financial statements at market value.

f) Empty Homes

The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

g) Pension Costs

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

As described in note 19, YMCA DLG has a contractual obligation to make pension deficit payments over the period to April 2029. Accordingly, the present value of the liability is shown in note 19 to these accounts.

In addition, YMCA DLG is required to contribute £21,578 pa (2022: £19,422 pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

h) Fixed Assets

i) Housing Properties

Definition and Recognition

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed cost on adoption of FRS102.

Depreciation:

The major components of the properties are identified, and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight-line basis over the following number of years:

Structure	50-100	Wiring, lift and heating systems	10-30
Pitched roof	50-75	Bathrooms	5-25
Flat roof, windows, external doors	25-30	Kitchens	20

ii) Other Fixed Assets

Cost:

Individual fixed assets costing £1,000 or more and are of a capital nature for ongoing use by YMCA DLG are capitalised.

Depreciation:

Other fixed assets are depreciated to write off each asset over its estimated useful life at the following annual rates:

Freehold land	Not depreciated
Motor vehicles	25% on reducing balance basis
Fixtures, fittings and equipment	10 – 25% on cost
ICT equipment	25% on cost
Cycles	100% on cost

i) Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' Annual Report.

j) Irrecoverable VAT

The financial statements include VAT to the extent that it is not recoverable from HM Revenue and Customs. Irrecoverable VAT is charged directly with the related cost where possible or apportioned as part of central costs.

k) Operating Leases

The charity classifies the lease of printing, photocopy, laundry and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whilst the economic life of such equipment is normally in excess of this. Rental charges are charged on a straight-line basis over the term of the lease. Some of this equipment has been disposed of during the financial year.

l) Commitments

Commitments which are legally binding are included as liabilities.

m) Taxation

The charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

n) Funds and Reserves

The charity has various types of funds for which it is responsible and require separate disclosure:

Unrestricted Reserves

Unrestricted reserves are reserves which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

Restricted Reserves

Restricted reserves are funds which are expendable as directed by the donor.

Revaluation Reserves

Revaluation reserves arise when investments are revalued.

2. TURNOVER FROM HOUSING ACTIVITIES

	2023	2022
	£	£
Rent and Service charges:		
Rent receivable	**3,067,437**	3,386,093
Service charge receivable	**5,513,269**	4,820,127
Personal service charge receivable	**263,225**	231,765
Amortised Government grant	**122,578**	111,811
	8,966,509	8,549,796
Other revenue:		
Supporting people	**2,036,274**	1,999,995
OLAC, leaving care and step-down service	**1,018,894**	524,270
Homes England grant income	**375,546**	304,075
Homes England development income	**-**	600,284
More than a Room activities	**43,318**	97,560
Fundraising income	**105,015**	79,946
Job retention scheme	**-**	32,681
Other social housing income	**121,662**	355,525
	12,667,218	12,544,132
Rent and service charge losses from voids	**(546,236)**	(795,036)

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2023	2022
Housing accommodation – number of units	**672**	787
Managed housing – number of units included in above total	**108**	109
	£	£
Housing services	**6,813,240**	5,671,861
Housing support	**2,292,260**	2,350,129
More than a Room costs	**187,905**	334,100
Share of central overheads	**2,290,849**	2,040,601
Development costs	**-**	420,544
Repairs and maintenance	**1,061,449**	955,046
Rent losses from bad debts and provision	**126,245**	94,592
Depreciation of housing properties	**359,506**	421,974
Depreciation of equipment, fixtures & fittings, motor vehicles	**139,915**	130,248
	13,271,369	12,419,095

4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME

	2023	2022
	£	£
Therapeutic services	**2,574,989**	2,082,112
Support services: children, young people and families	**936,366**	937,749
Horsham YMCA Football Club	**49,404**	56,424
Fundraising income	**398,583**	542,941
Job retention scheme	**-**	3,199
Other income	**66,660**	51,649
	4,026,002	3,674,074

5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS

	2023	2022
	£	£
Therapeutic services	**2,855,359**	2,233,797
Support services: children, young people and families	**1,257,234**	1,315,625
Horsham YMCA Football Club	**84,233**	75,351
Depreciation	**28,594**	27,630
Other costs	**336,609**	213,405
	4,562,029	3,865,808

6. STAFF COSTS

	2023	2022
	£	£
Salaries and wages	**8,450,243**	7,979,809
Social security	**785,963**	690,435
Pension costs	**287,230**	271,826
Apprentice tax	**27,439**	26,047
Life assurance	**29,730**	34,252
Healthcare	**35,852**	32,200
Redundancy/compensation	**50,195**	41,443
Agency costs	**1,429,764**	739,562
	11,096,416	9,815,574
The average number of employees paid during the year was:		
Full time and part time employees	**362**	381
Full time equivalent	**290**	295
The number of staff receiving remuneration in excess of £60,000:		
£60,000-£69,999	**4**	3
£70,000-£79,999	**3**	1
£80,000-£89,999	**1**	-
£90,000-£99,999	**-**	1
£100,000-£109,999	**-**	-

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the directors received any remuneration in the current or prior year. One director received reimbursed expenses of £43. The charity has directors' and officers' Liability insurance in place.

The leadership structure of the charity was reorganised during the year. The aggregate emoluments of the Executive Team were £606,402 – 5.83 FTE (2022: £315,529 – 2.9 FTE). The remuneration of the Chief Executive comprised salary of £87,240, employer national insurance of £11,822, pension contributions of £9,644 and private health insurance of £563 (2022: £95,109, £11,905, £14,266 and £640 respectively). The Chief Executive was a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

8. OPERATING SURPLUS

The operating surplus is stated after charging:	**2023**	2022
	£	£
Losses from bad debts	**126,875**	87,384
Operating leases-equipment	**19,533**	23,817
- land and buildings	**1,322,951**	1,426,689
Deficit on disposal of fixed assets (please see below)	**8,837**	2,704
Deficit on disposal of The Bridge (please see below)	**2,118,378**	-
Depreciation of equipment, fixtures & fittings, motor vehicles	**168,509**	145,761
Depreciation of properties and components	**359,506**	434,091
Auditors' remuneration: external audit	**33,295**	28,950

In June 2022 the organisation disposed of The Bridge in Guildford for £4,125,000, a student accommodation building. As the purchaser was not a registered housing provider, YMCA DLG retained the £3,211,744 grant attached to the building to recycle. On adoption of FRS102 in 2014, the grant for The Bridge was treated under the performance model and recognised in the opening reserves. On disposal of The Bridge, the grant has been reinstated as a liability. This has resulted in a book deficit of £2,118,377 on disposal of the building. Until the grant is recycled, it is subject to interest at the Bank of England base rate.

	The Bridge	Other assets	Interest	Total
	£	£	£	£
Proceeds	4,125,000	-	-	4,125,000
Net book amount	(2,781,469)	(8,837)	-	(2,790,306)
Gain / (deficit) on disposal	1,343,531	(8,837)	-	1,334,694
Associated legal & professional costs	(250,164)	-	-	(250,164)
Recycled grant	(3,211,744)	-	(67,932)	(3,279,676)
Total	(2,118,377)	(8,837)	(67,932)	(2,195,146)

9. FIXED ASSETS

	Social Housing Properties	Other Properties	Total
	£	£	£
Cost			
1 April 2022	25,001,464	523,147	25,524,611
Additions	101,993	-	101,993
Disposals	(3,644,952)	-	(3,644,952)
31 March 2023	21,458,505	523,147	21,981,652
Depreciation			
1 April 2022	2,261,962	66,314	2,328,276
Charge for the year	363,653	8,097	371,750
Eliminated on disposal	(913,593)	-	(913,593)
31 March 2023	1,712,022	74,411	1,786,433
Net book amount			
31 March 2023	19,746,483	448,736	20,195,219
31 March 2022	22,739,503	456,832	23,196,335

	2023	2022
Properties at cost comprise:	£	£
Freeholds	18,887,920	18,799,878
Long leaseholds	3,093,732	6,724,732
Cost of properties	21,981,652	25,524,610

OTHER TANGIBLE FIXED ASSETS

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1 April 2022	89,416	1,276,244	1,365,660
Additions	550	212,859	213,409
Disposals	(354)	(487,907)	(488,261)
31 March 2023	89,612	1,001,196	1,090,808
Depreciation			
1 April 2022	68,917	954,563	1,023,480
Charge for the year	5,711	150,554	156,265
Eliminated on disposals	(354)	(428,960)	(429,314)
31 March 2023	74,274	676,157	750,431
Net book amount			
31 March 2023	15,338	325,039	340,377
31 March 2022	20,499	321,681	342,180

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, YMCA DLG Services Limited, which is incorporated in England and Wales pays its profits chargeable to Corporation Tax to the charity by Gift Aid. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

	2023	2022
	£	£
Turnover	34,409	33,410
Cost of sales and administrative expenses	(33,656)	(33,258)
Net profit	753	152

11. INVESTMENTS

	2023		2022	
	Market Value	**Cost**	Market Value	Cost
	£	**£**	£	£
Blackrock Charinco Common Investment Acc Fund	**7,797**	**8,426**	8,755	8,426
Blackrock Charinco Common Investment Inc Fund	**2,848**	**3,664**	3,325	3,664
M & G Charifund	**21,951**	**24,282**	23,380	24,282
	32,596	**36,372**	35,460	36,372

12. DEBTORS

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Accommodation debtors	**1,001,463**	**1,001,463**	876,956	876,956
Bad debt provision	**(626,860)**	**(626,860)**	(498,962)	(498,962)
Trade debtors	**666,728**	**666,728**	660,262	660,262
Prepayments	**174,176**	**174,176**	345,269	345,269
Accrued income and other debtors	**305,104**	**305,104**	230,056	230,056
Amounts owed by subsidiary undertakings	**-**	**1,757**	-	9,593
	1,520,611	**1,522,368**	1,613,581	1,623,174

13. CREDITORS FALLING DUE WITHIN ONE YEAR

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Deferred income	**1,049,434**	**1,049,434**	1,163,826	1,163,826
Other creditors	**839,933**	**839,933**	676,032	676,032
Trade creditors	**659,585**	**659,585**	653,030	653,030
Other taxes & social security	**248,192**	**248,192**	249,126	248,708
Bank loan	**-**	**-**	86,809	86,809
Pension deficit	**99,046**	**99,046**	95,201	95,201
Housing grants	**122,578**	**122,578**	122,578	122,578
	3,018,768	**3,018,768**	3,046,602	3,046,184

14. CREDITORS FALLING DUE AFTER ONE YEAR

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Loans – not wholly repayable within five years	**850,000**	**850,000**	3,098,659	3,098,659
Deferred income – grants in advance	**1,015,094**	**1,015,094**	1,467,790	1,467,790
Dilapidations provision	**423,038**	**423,038**	203,000	203,000
Defined benefit pension deficit	**444,214**	**444,214**	559,402	559,402
Housing grants	**13,439,619**	**13,439,619**	10,282,520	10,282,520
	16,171,965	**16,171,965**	15,611,371	15,611,371

Loan maturity analysis				
In more than one year but not more than two years	-	-	89,204	89,204
In more than two years but not more than five years	-	-	284,180	284,180
In more than five years	**850,000**	**850,000**	2,725,275	2,725,275
	850,000	**850,000**	3,098,659	3,098,659

The loan with the Charity Bank has been reconfigured into a revolving credit facility for £2,274,599 for a three year term as a means to mitigating interest costs when cash is not required. As a result all outstanding funds have been paid back to Charity Bank within the financial year. There is a commitment fee of 0.28% per quarter to hold the credit line open for future use.

There are additional loans of £850,000 with The Rosaz Charity with an interest rate of 1% over the Bank of England's base rate with a minimum of 3% per annum. These are repayable no earlier than September 2044 and are unsecured.

15. RESTRICTED FUNDS – GROUP AND CHARITY

	1 April 2022	**Income**	**Expenditure**	**Transfers**	**31 March 2023**
Funds	**£**	**£**	**£**	**£**	**£**
Special needs reserve	2,934	-	(2,044)	-	890
Young homeless fund	390	-	(390)	-	-
Horsham Y Centre legacy	34,268	-	(4,534)	-	29,734
Counselling	12,917	-	(12,917)	-	-
Homelessness prevention	3,150	23,335	(16,530)	-	9,955
Chaplaincy	-	28,821	(25,321)	-	3,500
Passport to independence	-	47,500	(36,061)	-	11,439
Youth engagement	-	4,000	(1,833)	-	2,167
WiSE	9,542	51,924	(58,689)	-	2,777
Youth advice centres	27,500	110,500	(40,500)	-	97,500
Girls' mentoring programme	10,695	15,000	(18,195)	-	7,500
Housing fund	-	1,000	(290)	-	710
Property refurbishment	-	63,175	(63,175)	-	-
Football club pitch upgrade	2,500	-	-	-	2,500
Living our values award	800	-	(200)	-	600
Total	104,696	345,255	(280,679)	-	169,272

Restricted Funds

Special needs reserve: To fund exceptional requirements for those in supported housing.

Young homeless fund: To fund temporary accommodation for the young homeless people of Guildford.

Horsham Y Centre legacy: To be spent on activities or equipment that will benefit the young people of Horsham.

Counselling: To provide counselling to a West Sussex school for children and young adults with learning difficulties and provision of a BAME therapeutic offer in West Sussex.

Homelessness prevention: To deliver workshops in secondary schools.

Chaplaincy: To provide pastoral care to residents and staff.

Passport to independence: An innovative e-learning platform to enable young people to learn essential life skills.

Youth engagement: Delivers open access youth clubs.

WiSE (What is sexual exploitation?): To support children and young people to stay safe in their relationships.

Youth advice centres: To provide advice, support and guidance to young people.

Girl's mentoring programme: An early and effective mentoring initiative that matches trained volunteer mentors with female identifying young people to support them to overcome challenges and achieve their fullest potential in life

Housing fund: Provide resources for residents.

Property refurbishment: Funding from Land Aid to adapt Barnabus House to be better suited for supporting young people with higher level support needs.

Football Club pitch upgrade: Towards an artificial grass pitch in Horsham.

16. RESERVES – GROUP

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£	£	£	£	£
Unrestricted funds:					
General reserve	356,931	16,284,345	(19,350,312)	44,234	(2,664,802)
Fixed asset reserve	9,947,948	122,577	(528,015)	(139,435)	9,403,075
Pension reserve	(654,603)	16,142	-	95,201	(543,260)
Investment revaluation reserve	(912)	-	(2,864)	-	(3,776)
Total unrestricted funds	9,649,364	16,423,064	(19,881,191)	-	6,191,237
Restricted funds	104,696	345,255	(280,679)	-	169,272
	9,754,060	16,768,319	(20,161,870)	-	6,360,509

RESERVES – CHARITY

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£	£	£	£	£
Unrestricted funds:					
General reserve	346,779	16,249,936	(19,316,656)	44,386	(2,675,555)
Fixed asset reserve	9,947,948	122,577	(528,015)	(139,435)	9,403,075
Pension reserve	(654,603)	16,142	-	95,201	(543,260)
Investment revaluation reserve	(912)	-	(2,864)	-	(3,776)
Total unrestricted funds	9,639,212	16,388,655	(19,847,535)	152	6,180,484
Restricted funds	104,696	345,255	(280,679)	-	169,272
	9,743,908	16,733,910	(20,128,214)	152	6,349,756

Within the fixed asset reserve is a revaluation amount of £1,859,020 relating to Crawley Foyer introduced on adoption of FRS102 in April 2014.

17. GUARANTEES

As part of its direct charitable work, YMCA DLG provides Letters of Guarantee to landlords to provide limited cover against lost rent and/or damage to property. The likely liability for guarantees in place at 31 March 2023 is under £1,000. This system enables more places to be facilitated with minimal exposure.

There is no provision for guarantees which may be called upon within these financial statements.

18. MEMBERS

YMCA DLG is limited by guarantee having no share capital. In accordance with the Memorandum of Association every member is liable to contribute a sum of £1 in the event of the charity being wound up.

19. PENSION COMMITMENT

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

The most recent completed three-year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to:

- the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively,
- the increase in pensions in payment of 2.99% (for RPI capped at 5% per annum),
- the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22 years, female 24.4 years, and for those retiring in 20 years' time, 23.7 years for a male pensioner, female 26.1 years.

The result of the valuation showed that the actuarial value of the assets was £146.1m. This represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. YMCA DLG has been advised that it will need to make monthly contributions of £8,274 from 1 May 2023. This amount is based on the current actuarial assumptions and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 4.8% (2022: 2.7%). The current recovery period is six years commencing 1st May 2023.

During the year deficit payment contributions of £95,201 were made.

The table below sets out the value of the liabilities included in the Balance Sheet

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2023 £'000	TOTAL 2022 £'000
As at 31 March 2023	99,046	92,887	269,196	82,131	444,214	543,260	-
As at 31 March 2022	95,201	92,969	280,540	185,893	559,402	-	654,603

In addition, YMCA DLG 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 DLG may be called upon to pay in the future.

Supplementary to the above scheme, employees starting with Sussex Central YMCA after 1 April 2001 were eligible to join a stakeholder pension scheme, administered by Legal and General, which is a defined contribution scheme, into which the charity pays contributions. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The employee contribution is a minimum of 1.6%. In addition, members of the Leadership Team can make contributions of 8% of salary to the stakeholder pension scheme with a 15% employer's contribution. During the period a total of 34 employees benefited from the scheme at a cost of £152,323.

In 2007 Guildford YMCA commenced a scheme with Aviva. This is a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £1,539 (2022: £1,474) in respect of one employee (2022: one).

With the introduction of auto enrolment, the organisation-wide scheme was closed to new entrants on 31 January 2014 and the charity now offers a stake holder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £47,115 relating to all the schemes that was settled the following month.

20. OPERATING LEASE COMMITMENTS

The future minimum lease payments of leases are as set out below.

	2023	2022
	£	£
Land and buildings:		
Within one year	**990,466**	1,217,989
Between one and five years	**1,976,931**	2,442,001
In more than five years	**709,371**	1,088,941
	3,676,768	4,748,931
Equipment:		
Within one year	**6,222**	13,669
Between one and five years	**2,166**	8,173
In more than five years	**-**	-
	8,388	21,842

21. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2023, YMCA DLG had the following related and associated undertakings:

	Relationship	Status	Regulated by Social Housing Regulator
YMCA DLG Services Ltd	100% subsidiary	Trading Company	Non-regulated

22. CONTINGENT LIABLITIES

At the 31 March 2023 there were contingent liabilities in respect of grants received in relation to the following properties:

- Crawley Foyer-Social Housing Grant of £873,140 and Local Authority Grant of £1,500,226
- Worthing Foyer-Social Housing Grant of £823,632
- Guildford Foyer-Social Housing Grant of £2,021,986
- Horsham Y Centre-Social Housing Grant of £4,057,690
- Eastbourne Y Centre-Social Housing Grant of £771,910
- Eastbourne Foyer-Social Housing Grant of £1,525,000
- Hastings Foyer-Social Housing Grant of £1,614,950
- The Bridge, Guildford Y-Social Housing Grant of £3,279,676

There is potential for repayment or recycling of these grants in the event the sites are disposed of and,or taken out of social housing use. The Bridge, Guildford, was sold in June 2022 to a non-registered provider and the associated grant of £3,279,676 has been retained by YMCA DLG to recycle. All other properties remain in social housing.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England and Wales, grants were received for £873,000 and £247,500 respectively. If YMCA DLG were to either resign as a member of YMCA England and Wales Federation, disassociates itself from the organisation, or cease to participate in any of its operations, the grants will become refundable. There are no plans for any of these events to occur.

Of the £16,468,210 housing grants liability, £13,562,196 is within creditors. On implementation of FRS102 in the 2016 Financial Statements the trustees elected to treat the grants held at the time for Crawley Foyer and The Bridge under the performance model and recognise them in reserves. On the sale of The Bridge, the grant associated with it has been reinstated as a liability and will accrue interest at the Bank of England base rate on a daily basis until recycled. All other grants are treated under the accruals model and amortised over the life of the related structure. To date £982,648 has been transferred to reserves.

23. CAPITAL COMMITMENTS

At the year-end there were no capital commitments