

REGISTERED COMPANY NUMBER: 04336719 (England and Wales)
REGISTERED CHARITY NUMBER: 1090981

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
FOR
YMCA FAIRTHORNE GROUP**

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

YMCA FAIRTHORNE GROUP

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

	Page
Reference and Administrative Details	3
Introduction of the Chair of Trustees and Chief Executive	4 to 5
Report to the Trustees (including strategic report)	6 to 11
Report of the Independent Auditors	12 to 14
Consolidated Statement of Financial Activities	15
Consolidated and Charity Balance Sheet	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Statement of Cash Flow	18
Notes to the Financial Statements	19 to 34

YMCA FAIRTHORNE GROUP

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 APRIL 2023**

PRESIDENT EMERITUS	Mr M Tilbury
TRUSTEES	Dr M H Cranston (resigned 23.01.2023) Ms S M Hannington (resigned 14.12.2022) Ms N Kinally (resigned 31.07.2023) Mr T J Titheridge Mr P M Youngs Mr G Muvuti (resigned 23.01.2023) Mr D A Bennett Mrs E R L Dunford (appointed 05.05.2023) Mrs M K Radcliffe (appointed 05.05.2023) Mrs P J F G Stokes (appointed 05.05.2023) Mr J D Towers (appointed 05.05.2023)
COMPANY SECRETARY	Ms P J Spicer (resigned 14.12.2022 & appointed 31.07.2023) Mrs R C Searle (appointed 14.12.2022 & resigned 31.07.2023)
SENIOR MANAGEMENT TEAM	Mr C Hand (left 31.10.2022) Ms P J Spicer Ms S Arscott (left 09.06.2022) Ms E Corina Mr J Hooper Mr C Heighway (left 18.11.2022) Mrs V Kennesion (started 01.01.2023) Mrs R Harris (started 01.11.2022) Mrs S McCarthy (started 30.08.2022)
REGISTERED OFFICE	Fairthorne Manor Botley Road Curbridge Southampton Hampshire SO30 2GH
REGISTERED COMPANY NUMBER	04336719 (England and Wales)
REGISTERED CHARITY NUMBER	1090981
AUDITORS	Hopper Williams & Bell Limited Highland House Chandler's Ford Eastleigh Hampshire SO53 4AR
BANKERS	Barclays Bank plc 1 Churchill Place London E14 5HP

**INTRODUCTION BY THE CHAIR OF TRUSTEES AND CHIEF EXECUTIVE
FOR THE YEAR ENDED 30 APRIL 2023**

Introduction by the Chair of Trustees and Chief Executive.

This year has been a period of enormous change at YMCA Fairthorne Group with the retirement of the Chief Executive, Chris Hand, after 37 years of dedicated service at the charity including 33 years as Chief Executive. We wish to celebrate the enormous contribution Chris has made in shaping and growing the charity into what it is today and we do not underestimate our responsibilities in stewarding YMCA Fairthorne Group through its next phase.

At the start of the year we were still being impacted by Covid with the first quarter of 2022 having been our highest period for staff illness. The impact of Covid on attendance at nursery of funded children, compounded by a falling birth rate in the period 2020-2022 meant that occupancy, particularly at our pre-schools, was slow to recover. The situation was exacerbated by the impact of rapidly rising inflation and the government's refusal to increase the rate of "free" funded childcare to match the cost of delivery despite national campaigning from early years providers including ourselves. This combination of factors and our refusal to compromise on any of our early years quality standards meant that the trustees were forced to seek alternative providers for the 11 smallest of our 18 early years settings to underpin our determination to sustain the charity into the future.

A process was launched in September 2022 resulting in 5 settings being transferred to other early years providers and 6 settings being closed. At year end, 2 of the transfers remained in progress with both completed in summer 2023. We wish to express our heartfelt gratitude and thanks to all the staff at Barn Owls, Dunsbury Way, Portsea, Millbrook, Newtown, Sharps Copse, St Vincent, Townhill, Weston, Warren Park and Winchester House, as well as our wider staff team, for their patience and ongoing commitment to the families we served during this period of uncertainty and change.

In November our new CEO Phillipa Spicer was appointed and, following an organisational review, the senior team was restructured around our core functions. New trustees were recruited and the board has agreed a new strategic direction which focuses on 3 core impact areas: early years, young people in accommodation and community programmes, underpinned by a solid financial plan. The first months of delivery in 2023-24 have produced financial results ahead of plan and the charity is on track to deliver an operational position which will lay the groundwork for a bright future. The board's priorities for the next year include expressing clarity of purpose, ensuring our culture aligns with our strategic aims and the implementation of improved systems to evidence our impact.

Despite the challenges and major change, there were still many successes in the period. Significant achievements include:

- Giving 2083 children under 5 the very best start in life by providing more than 1.1 million hours of early years education and care.
- Helping children have the best school holidays through delivering over 13,000 Daycamps sessions.
- Providing more than 600 free school holiday activity places for children experiencing adversity who would not otherwise access a place.
- The first fully residential Young Carers Festival since Covid, with 849 young carers and their group leaders attending.
- Rolling out the Inclusive Classroom Profile at our early years settings with Andover achieving the maximum 7 points for their special educational needs support.
- A partnership project between The Lodge, Isle of Wight Council and other housing providers to develop and test an audit tool for achieving Psychologically Informed Environments for residents.
- Training all housing staff in Advantaged Thinking and launching a process to achieve Foyer Federation accreditation in the next financial year.
- Enabling young people living at YMCA to access almost £100,000 of grant funding towards their day to day costs to help them through the cost of living crisis.

YMCA FAIRTHORNE GROUP

INTRODUCTION BY THE CHAIR OF TRUSTEES AND CHIEF EXECUTIVE FOR THE YEAR ENDED 30 APRIL 2023

As we write this report, over 1,000 young carers and their group leaders from across the UK are at YMCA Fairthorne Manor experiencing the highlight of their year at the Young Carers Festival. We have a strategy and financial plan which enables our charity to achieve enormous positive impact for children, young people and families and so it is time to draw a line under the challenges of the previous year and look forward into an exciting, sustainable future.

Dave Bennett and Phillipa Spicer

Purpose and Charitable Objectives

The Trustees, who are also directors of the charity, submit their annual report (including the strategic report) and audited financial statements for the 12 month period ending 30 April 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) the provisions of the Statement of Recommended Practice Accounting by Registered Social Landlords (SORP) "Accounting and Reporting by Charities" issued in March 2005 and the "Accounting Direction for private registered providers of social housing" issued in January 2022.

YMCA Fairthorne Group is a community-based charity whose purpose is "We believe everybody should have the opportunity to lead happy, healthy lives". Our strategy is to establish YMCA places in close partnership with local communities and ensure the delivery of programmes that meet the needs of children, young people, and families.

Our Charitable Objectives as defined by our Articles of Association are:

- To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in their faith and in their life, and to associate their efforts for the extension of his Kingdom.
- To lead young people to the Lord Jesus Christ and to fullness of life in Him.
- To provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life.
- To provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities.
- To relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances, including, but without limitation, to provide education and training in counselling and psychodynamic therapy and to promote awareness of the effectiveness of such therapy.
- To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances.

Public Benefit

The Trustees confirm that they have complied with section 4 of the Charities Act 2006, to have due regard to the Charity Commissioners' general guidance on public benefit, 'Charities and Public Benefit'. The direct benefits that flow from our objectives are:

- We are a community-based charity and all programmes are offered to those of any faith or of none. Our equal opportunities policy clearly states our intention and practice in this regard.
 - Free entry, funded and bursary schemes that ensure children and families can access a full range of programmes regardless of personal circumstances.
 - Use of digital tools, including free online training, enabling young people and families to access knowledge, qualifications and activities.
 - High-quality early years education which supports the physical and emotional development of children under 5, giving them the very best start in life.
 - Enhanced quality of life and sense of wellbeing from participation in activities and events that bring groups of people together.
 - Achievement of life skills and personal independence for young people participating in accommodation-based programmes, support and training.
 - A strong sense of belonging for people in communities who engage with their local YMCA, leading to personal wellbeing and community cohesion.
 - Involvement and inclusion in community life through opportunities for people to volunteer and participate at a local level.
-

Strategic Plan

A full review of the strategic plan took place in the year and a new strategy was agreed in April 2023 which refocuses our work around our vision statement “we will partner with communities so that every child, young person and family can belong, contribute and thrive”. We will be investing into quality and financial sustainability in 3 core areas of impact:

- Early years
- Young people in housing
- Community activities with particular focus on transforming Fairthorne Manor as a destination of choice for families

A strategy engagement process was launched across the charity in May and June 2023. The trustees and senior team have engaged Trust Impact to review our shared purpose concept to enable us to develop better systems for identifying, achieving and celebrating the impact of our work.

The YMCA Way

The YMCA Way describes how we design and deliver programmes. It consists of four equally weighted elements which in combination generate quality activities, offering opportunities for individual and community growth.

Values

Welcoming, Active, Listening, Inspiring, Caring, Exciting.

Community led

Community-led means we undertake activities the community wishes us to do, and wishes to be involved in.

Evidence led

We implement evidence-based practice to achieve positive impact.

Our Behaviours

We model behaviours derived from our values through all interactions with children, families, the community, and each other.

YMCA FAIRTHORNE GROUP

REPORT OF TRUSTEES FOR THE YEAR ENDED 30 APRIL 2023

Achievements and Activities

The Very Best Start In Life

1,133,420 hours of childcare and early years education were provided across our 18 early years settings at Andover, Barncroft, Dunsbury Way, Eastleigh, Fairthorne Manor, Gosport, Millbrook, New Milton, Newport, Newtown, Portsea, Shanklin, Sharps Copse, Townhill, Warren Park, Weston, Whale Island and Woolston.

An Inclusive Classroom Profile (ICP) project was rolled out across 7 YMCA settings to assess and improve inclusion across the charity. ICP serves as a powerful tool to enhance the inclusivity of early years settings and this project aims to strengthen outcomes for children by focusing on their diverse needs and providing tailored support. The project was established on a “train the trainer” basis and we now have 4 fully trained auditors who can sustain momentum plus offer the service to other non-YMCA early years settings. We are particularly proud of Andover who achieved the maximum score for inclusion in their most recent assessment.

The Best School Holidays

Children benefitted from exciting and engaging school holiday activities at our Daycamps programmes at Fairthorne Manor, Shanklin, and Portsmouth, with over 13,000 Daycamps sessions delivered in the year. We were able to secure further grant funding from the Department for Education’s Holidays Activities And Food scheme which funded places for children from families in receipt of benefits related free school meals or who faced adversity. At Fairthorne Manor, 110 HAF sessions were delivered and 495 at Winchester House in Shanklin.

Exciting Group Activities and Residentials

9,188 people attended day and residential group activities at our sites at Fairthorne Manor in Hampshire and Winchester House in Isle of Wight.

Young People in Housing

244 young people received support while living in YMCA housing in Basingstoke, Southampton and Isle of Wight. A total of 55 young people successfully moved on to independent living.

The Lodge worked in partnership with Isle of Wight Council and other local housing providers to develop and then pilot an audit tool for Psychologically Informed Environments which fully engaged young people in quality improvements that contribute to wider wellbeing.

Staff completed training in Advantaged Thinking and a process was launched with the Foyer Federation for Southampton and Basingstoke housing to become Advantaged Thinking Accredited by 2024.

Young people were supported to receive energy support and other cost of living grants where eligible. In Basingstoke, 44 young people benefited from a total of £17,600 towards their personal utility costs and over £70,000 in grant funding from the local authority to help with the cost of living crisis.

Community Programmes

An enormous variety of community programmes and activities took place through the year at our branches including activities directly delivered by YMCA, and schemes delivered in partnership with other organisations. This includes food and clothing banks, speciality support meetings, family activities, fitness classes and healthy lifestyle meetings. Below are some examples:

A successful grant application was made to the Youth Investment Fund for YMCA Newtown Youth and Community Centre which had experienced vandalism over the Covid period and was in poor condition. The centre will be fully refurbished with a new design enabling facilities to be available to the local community at all times. A dedicated staff member has spent the year building relationships with community groups and the centre now offers a thriving set of programmes for children, young people, families and specialist groups with community organisations co-located in the building and co-delivering services with YMCA.

Support for the local community at Andover saw local families in need benefit from a range of services including regular food boxes and Christmas hampers.

YMCA FAIRTHORNE GROUP

REPORT OF TRUSTEES FOR THE YEAR ENDED 30 APRIL 2023

Winchester House in Shanklin hosted a range of community partners including Isle of Wight Foodbank and Men's Sheds. In April 2023 a long-established local school holiday activity provider moved into the former nursery space with an average of 50 children per day attending exciting activities.

A mother and baby group funded by the Community Capacity Grant provided weekly activities including messy play and support for local families at Winchester House who otherwise would not be able to attend a nursery.

Isle of Wight Young carers offered much needed school holiday respite to 397 young carers.

At Fairthorne Manor, 16,245 people enjoyed a range of family programmes including Treetots, Family Park, river access and craft hire, and camping.

Fundraising

A total of £257k was received in the form of grants:

The Trustees would like to thank the following organisations which have supported the work of YMCA Fairthorne Group during the course of the financial period:

Co-operative Group
Daisy Rich Trust
Hampshire County Council
HMRC
Isle of Wight Council
Pilgrim Trust
Saints Foundation
Sir Jeremiah Trust
Southampton City Council
The Misselbrook Trust
The White Aid Foundation
YMCA England and Wales

No external professional fundraiser or commercial participator was used during this period. Fundraising activities were monitored by the fundraising team, including ensuring that there were no unreasonable intrusions or approaches made in raising funds, either directly or on behalf of the organisation. No complaints were received in relation to fundraising.

Plans for Future Periods

New Strategy and Vision

At the start of the new financial year in May 2023 the board and senior team agreed a new strategic direction for the charity with a focus on housing, early years and community programmes. The strategy sets out how we will achieve impact for each beneficiary and how the charity will achieve the long-term financial sustainability needed to reinvest in services and infrastructure. The strategy launched in summer 2023 and is complemented by operational plans and a new KPI system. The board and team will be working further on purpose alignment and developing a new theory of change in the year to refine outcome and impact reporting.

Young People

Housing support and management is being restructured around the needs of young people and the team will be spending the year observing the approaches and successes achieved at other YMCAs and applying the learning in Basingstoke, Southampton and Isle of Wight. A new concept of a young person's "campus" is being developed with the aim that the relationships we have with young people, the support and activities available to them, and the physical environment are all transformed to address the 3 core challenges they face: good mental health; a safe, affordable home; and access to meaningful employment. A rent bursary fund will be established to help young people sustain their home in a supported environment when in employment.

Early Years

A Director of Early Years was appointed in January 2023 to oversee quality and financial sustainability of the 7 retained early years settings. Early years funding remains a critical issue and the charity will be developing its early years on a commercial basis to ensure each setting thrives.

Community

Fairthorne Manor is recognised as the heart of our charity and an underutilised resource. A process of transformation will launch in the new year with a focus on community activities and access so that Fairthorne Manor becomes the destination of choice for schools and families, and a refresh of long-standing programmes to ensure they are fit for the future.

Our People

Retaining a highly-motivated and happy workforce is critical for delivering the new strategy. An employee assistance programme has launched and a project reviewing reward and recognition will complete in December 2023. An employee engagement survey was carried out early in the new financial year and this valuable feedback is being fed into central and site-specific plans.

Financial Review

The income within the year was £12.3m which is £1.3m higher than the previous year. This is much better trading performance than the prior year showing a pick up in Fairthorne Manor post COVID and in line with 2019 income levels. The decision was taken in the year to rationalise the Early Years portfolio and focus on the larger settings that have the potential for growth and to be cash generating, resulting in the transfer or closure of 11 smaller settings, many of which were loss making. The deficit in the accounts relating to these settings and the exceptional costs relating to the exit/transfer were £612k driving much of the overall deficit of £1.4m. Cost reductions and tight cost management remains in place.

Risk Management

Our Risk Policy is a regular focus of the Board. Risk is the threat or possibility that an action or event (or sometimes inaction) will adversely affect an organisation's ability to achieve its objectives. The aim of our risk policy is to enable YMCA Fairthorne Group to achieve our mission. Therefore, we accept those risks to which we must subject ourselves to deliver our mission. We strive to:

- avoid unnecessary risks,
- control risks which inevitably arise as a result of our activities,
- monitor risks which cannot be tightly controlled without compromising delivery of the mission, and
- take risks which we have assessed as likely to lead to positive outcomes

We aim to understand, document and review all significant risks which arise from our ongoing activities. We do this by making and regularly updating a business risk analysis and following up all matters which require attention. Where controls can be created or improved in a practical and cost-effective manner, these are implemented. Senior members of staff are contractually obliged to report any major risk to the Board.

Our operations are subject to regular review by a number of external agencies, including Ofsted, Environmental Health agencies, auditors and others.

Reserves Policy

The Trustees note that an appropriate level of free reserves should be maintained to safeguard the obligations under all contracts and the needs of all the beneficiaries or users of the Fairthorne Group. In any circumstances, the charity must also have sufficient funds available to act as a responsible employer to all staff members. It has been agreed that the following factors need to be taken into consideration in fixing the levels of reserves:

- The costs of completing any outstanding contracts
 - Any liabilities under property or other leases, or extended credit agreements
 - Any responsibilities for maintenance under property leases
 - Sufficient funds available to be able to take advantage of changes or opportunities that may arise
 - Cash flow/surplus generated, or forecast, arising from ongoing operations
-

YMCA FAIRTHORNE GROUP

REPORT OF TRUSTEES FOR THE YEAR ENDED 30 APRIL 2023

Bearing in mind the considerations given above, it has been resolved that there should be a target of unallocated free reserves in the range of £200,000 - £800,000.

Investments Policy

The Trustees have kept reserves as liquid as possible during the last year. This has been to ensure that the charity has been able to meet its obligations to creditors and staff by careful management of cash flow. The Trustees will continue to monitor the situation throughout the year. Specialist advice will be sought when required and will be reviewed by the Trustees.

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 October 2023 and signed on the board's behalf by:



Mr D Bennett - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA FAIRTHORNE GROUP, YMCA FAIRTHORNE HOUSING AND PARK FAMILIES LIMITED FOR THE YEAR ENDED 30 APRIL 2023

Opinion

We have audited the financial statements of YMCA Fairthorne Group (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Consolidated and Charity 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 charity's affairs as at 30 April and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter related to going concern

We draw your attention to note 2 of the financial statements, which notes that the subsidiary organisation, Park Families Limited is gradually discontinuing its activities. At the year end date the assets have been impaired to their recoverable amount.

Other information

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

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA FAIRTHORNE GROUP, YMCA FAIRTHORNE HOUSING AND PARK FAMILIES LIMITED FOR THE YEAR ENDED 30 APRIL 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the group strategic report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the group 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (including the group 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 or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

"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. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities even though the audit has been properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:"

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA FAIRTHORNE GROUP, YMCA FAIRTHORNE HOUSING AND PARK FAMILIES LIMITED FOR THE YEAR ENDED 30 APRIL 2023

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and the industry in which it operates. These include but are not limited to compliance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006. and the relevant tax compliance regulations for the charity.
- We obtained an understanding of how the charity is complying with these frameworks through discussions with management.
- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs and correspondence.
- We assessed the susceptibility of the charities' financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the company operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michaela Johns

Michaela Johns FCCA (Senior Statutory Auditor)
Hopper Williams & Bell Limited (Statutory Auditor)
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
SO53 4AR

20 Oct 2023
Date

YMCA FAIRTHORNE GROUP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 30/4/23 Total Funds £'000	Year ended 30/4/22 Total Funds £'000
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	5	75	80	323
Charitable activities	4	11,940	184	12,124	10,418
Other	5	72	-	72	225
Total		12,017	259	12,276	10,966
EXPENDITURE ON					
Charitable activities	6	13,387	325	13,712	11,739
Total		13,387	325	13,712	11,739
NET EXPENDITURE					
		(1,370)	(66)	(1,436)	(773)
Transfers between funds	19	127	(127)	-	-
NET MOVEMENT IN FUNDS					
		(1,243)	(193)	(1,436)	(773)
RECONCILIATION OF FUNDS					
Total funds brought forward		7,892	1,758	9,650	10,423
TOTAL FUNDS CARRIED FORWARD	19	6,649	1,565	8,214	9,650

The net income for Companies Act purposes comprises the net movement in funds.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.


Movements in funds are disclosed in note 19 to the financial statements.

YMCA FAIRTHORNE GROUP

CONSOLIDATED AND CHARITY BALANCE SHEET
AT 30 APRIL 2023

Company number 04336719	Note	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
FIXED ASSETS					
Tangible assets	13	15,434	9,962	16,291	10,374
		<u>15,434</u>	<u>9,962</u>	<u>16,291</u>	<u>10,374</u>
CURRENT ASSETS					
Stocks		13	13	18	17
Debtors	14	1,172	859	1,109	1,240
Cash at bank and in hand		1,376	1,137	1,931	1,347
		<u>2,561</u>	<u>2,009</u>	<u>3,058</u>	<u>2,604</u>
CREDITORS					
Amounts falling due within one year	15	(9,417)	(7,311)	(9,324)	(6,900)
Pension liability	23	(57)	(57)	(44)	(44)
		<u>(9,474)</u>	<u>(7,368)</u>	<u>(9,368)</u>	<u>(6,944)</u>
NET CURRENT LIABILITIES					
		<u>(6,913)</u>	<u>(5,359)</u>	<u>(6,310)</u>	<u>(4,340)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>8,521</u>	<u>4,603</u>	<u>9,981</u>	<u>6,034</u>
CREDITORS					
Amounts falling due after more than one year	17	-	-	(36)	-
Pension liability	23	(307)	(307)	(295)	(295)
		<u>(307)</u>	<u>(307)</u>	<u>(331)</u>	<u>(295)</u>
NET ASSETS					
		<u>8,214</u>	<u>4,296</u>	<u>9,650</u>	<u>5,739</u>
FUNDS					
19					
Unrestricted funds:					
General fund		7,012	3,098	8,231	4,340
Pension fund		(363)	(363)	(339)	(339)
		<u>6,649</u>	<u>2,735</u>	<u>7,892</u>	<u>4,001</u>
Restricted funds:					
Restricted fund		1,565	1,561	1,758	1,738
		<u>1,565</u>	<u>1,561</u>	<u>1,758</u>	<u>1,738</u>
TOTAL FUNDS					
		<u>8,214</u>	<u>4,296</u>	<u>9,650</u>	<u>5,739</u>

The financial statements were approved and authorised for issue by the Board on 13 October 2023 and are signed on its behalf


Trustee

The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Income and Expenditure account in these financial statements. The loss after tax of the parent company for the period was £1,448k (2022: £794k).

The notes on pages 18 to 34 form part of these financial statements

YMCA FAIRTHORNE GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Cash generated from operations	1	(630)	(856)
Cash flows from investing activities			
Purchase of tangible fixed assets		(149)	(232)
Sale of tangible fixed assets		437	1,021
Cash acquired from acquisitions		-	72
Net cash provided by / (used in) investing activities		288	861
Cash flows from financing activities:			
Loan repayments in period		(213)	(400)
Net cash provided by / (used in) financing activities		(213)	(400)
Change in cash and cash equivalents in the reporting period	3	(555)	(395)
Cash and cash equivalents at the beginning of the reporting period	2	1,931	2,326
Cash and cash equivalents at the end of the reporting period	2	1,376	1,931

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(1,436)	(773)
Depreciation charges	324	329
Loss / (profit) on disposal of fixed assets	(72)	(225)
Revaluation of fixed assets	317	-
Funds acquired on acquisition	-	(309)
(Increase)/decrease in stocks	5	(8)
(Increase)/decrease in debtors	(63)	(437)
Increase/(decrease) in creditors	270	610
Decrease/(Increase) in pensions	25	(43)
Net cash provided by (used in) operating activities	(630)	(856)

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash in hand	<u>1,376</u>	<u>1,931</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.22 £'000	Cash flow £'000	At 30.4.23 £'000
Net cash			
Cash at bank and in hand	<u>1,931</u>	<u>(555)</u>	<u>1,376</u>
	<u>1,931</u>	<u>(555)</u>	<u>1,376</u>
Debt			
Debts falling due within one year	(6,568)	177	(6,391)
Debts falling due after one year	<u>(36)</u>	<u>36</u>	<u>-</u>
	<u>(6,604)</u>	<u>213</u>	<u>(6,391)</u>
Total	<u>(4,673)</u>	<u>(342)</u>	<u>(5,015)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

1. GENERAL INFORMATION

YMCA Fairthorne Group is a charitable company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Fairthorne Manor, Botley Road, Curbridge, Southampton, Hampshire, SO30 2GH.

The consolidated accounts include YMCA Fairthorne Group, YMCA Fairthorne Housing and Park Families for the full accounting period in the current year and YMCA Fairthorne Group and YMCA Fairthorne Housing for the full accounting period in the prior year and Park Families Limited from 20 September 2021.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand.

Preparation of consolidated financial statements

These financial statements consolidate the results of the charity and its two wholly owned subsidiaries, YMCA Fairthorne Housing and Park Families Limited, on a line by line basis, using the acquisition method of accounting. The results of the subsidiary undertakings are included from the date of acquisition in the prior year. Park Families Limited was acquired by the YMCA Fairthorne Group on 1 October 2021 and trades as YMCA Park Families.

Going concern

The net current liabilities stand at £6,913k (2022 net current liabilities: £6,310k) at the balance sheet date. The net current liabilities include the loan with Barclays as it falls due at the end of March 24 which is £6.4m. Discussions are in place with Barclays who have given the commitment to refinance the loan and property valuations are in progress to achieve this. A cash generating budget has been signed off for FY24 and the results YTD are on track.

The charity known as Park Families under the control of YMCA Fairthorne Group is gradually discontinuing its activities and is in the process of disposing of its remaining trade and property assets. At the date of this report, a date for the disposal of 'The Hub' is not known. YMCA Fairthorne Group have confirmed their continued support, the results of Park Families are material to the group results.

The Trustees consider that there are no material uncertainties about YMCA Fairthorne Group's ability to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

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

Whether there are indicators of impairment of the group's housing properties and other tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The trustees have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on Existing Value in Use for Social Housing (EUV-SH) or depreciated replacement cost. The trustees have also considered impairment based on their assumptions to define cash or asset generating units.

Other key sources of estimation uncertainty:

• **Tangible fixed assets**

These are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the condition of the asset and its future income generating potential are taken into account. Residual value assessments consider issues such as future-market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

• **Rental and other trade receivables (debtors)**

The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. ACCOUNTING POLICIES - continued

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to items of income have been met, it is probable that the income will be received and the amount can be measured reliably. All income arose in the UK.

Income from charitable activities includes programme fees and youth work. Income is recognised in accordance with service provision.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Rental income and service charge income is recognised in the period for which the service was provided to the resident.

Grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. Where a social landlord acquires land/or other assets at below market value from another entity, this is in substance considered to be a grant. Where grants are given by a non-government source without restriction or conditions, the whole amount can be recognised upon receipt.

A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Government grants will be recognised in full provided they meet the recognition criteria, grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate, once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Government grants received during the period includes:

- Holiday Activities and Food Programme Grants
- Early Years funding including SEN
- Discretionary grants
- OFGEM Grants
- Ukraine Grants

If restrictions are attached and the grant is used to purchase fixed assets, the expenditure of the grant will be recognised over the same period as the useful life of the asset.

Expenditure and basis of allocation of costs

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Support costs

Support costs represent the costs incurred directly in support of the objectives of the charity.

Finance costs

Finance costs are charged to income and expenditure over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Tangible fixed assets

Tangible fixed assets costing more than £1k (2022: £1k) are capitalised and included at cost, including non-recoverable VAT. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Plant and machinery	over 3 to 20 years
Fixtures and fittings - Park Families	25 % reducing balance
Office equipment, computer equipment and motor vehicles	over 3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. ACCOUNTING POLICIES - continued

Freehold and long leasehold

Depreciation is provided on buildings on a straight line basis over 5-50 years. The long leasehold premium is amortised over the length of 50 years. No depreciation is charged on freehold land.

Depreciation of housing properties

Housing land and property acquired before 2019 is split between land and property. Housing land and property acquired since 2019 will be split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Depreciation charged on Housing property acquired prior to 2019 is depreciated based on the cost of the property as a whole. Housing property acquired after 2019 will be split between the structure and the major components which will require periodic replacement. The cost of any replacements or restorations to the major components are capitalised and depreciated over the determined average useful economic life on a straight line basis as follows:

Description	Useful economic life (years)
Structure	100
Roofs	70
Kitchens	20
Bathrooms	30
Boilers	10-15
Electrical work	5
Central heating	30
Windows	30
Lifts	20

Land is not depreciated on account of its indefinite useful economic life.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last reporting date in the pattern by which the group expects to consume an asset's future economic benefit.

Donated assets and services

When assets are donated to the charity, the value of the donation forms the deemed cost of the asset to the group. Similarly any assets acquired from another charity are valued in the group accounts at fair value which forms the deemed cost to the group.

Impairment

Assets that no longer provide a service value to the group are written down to residual value or otherwise impaired.

Stocks

Stocks consists of catering items. Stocks are valued at the lower of cost and net realisable value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Where funds are provided for the purchase of fixed assets or fixed assets are donated and there is a restriction on the charity's entitlement to the full sale proceeds, those assets are held in restricted funds to the extent of the restriction and amortised over the economic life of those assets.

Financial instruments

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Defined benefit pension scheme

YMCA Fairthorne Group 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 Fairthorne Group.

As described in note 23 YMCA Fairthorne Group has a contractual obligation to make pension deficit payments of £56,209 pa over the period to April 2029 (2022: £43,030 pa), accordingly this is shown as a liability in these accounts. In addition, YMCA Fairthorne Group is required to contribute £13k pa (2022: £12k pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

3. DONATIONS AND LEGACIES

	2023	2022
	£'000	£'000
Donations	80	323

Total income from donations from the group was £80k (2022: £323k), of which £5k (2022: £303k) was unrestricted and £75k (2022: £20k) was restricted. The prior year includes £309k of assets gifted on acquisition of Park Families Limited.

4. INCOME FROM CHARITABLE ACTIVITIES

	Fees £'000	Statutory Income £'000	Trusts & Foundations £'000	Other income £'000	Total £'000
Early Years Programmes	3,264	2,505	-	-	5,769
Children & Group Programmes	2,243	111	36	-	2,390
Housing & Accommodation Based Programmes	209	368	25	-	602
Youth Programme	61	1	-	-	62
Family & Community Programmes	1,123	26	4	-	1,153
YMCA Fairthorne Housing	1,494	24	-	-	1,518
Park Families	630	-	-	-	630
Year ended 30/4/23	9,024	3,035	65	-	12,124
Year ended 30/04/22	6,913	3,402	93	10	10,418

	2022 £'000
Early Years Programmes	6,007
Children & Group Programmes	1,264
Housing & Accommodation Based Programmes	954
Youth Programme	39
Family & Community Programmes	457
YMCA Fairthorne Housing	1,303
Park Families	394
	10,418

Total income from charitable activities was £12,124k (2022: £10,418k) of which £11,940k (2022: £10,289k) is unrestricted and £184k (2022:£129k) is restricted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

Government grants	2023	2022
Included within charitable income are the following grants:	£'000	£'000
HM Revenue and Customs - CJRS & Kickstart	-	469
Other grants received:		
Hampshire County Council	1,051	9
Isle of Wight Council	-	27
Portsmouth City Council	165	17
Southampton City Council	626	10
OFGEM	39	35
	<u>1,881</u>	<u>567</u>

5. OTHER INCOME

	2023	2022
	£'000	£'000
Profit on disposal of fixed assets	72	225
	<u>72</u>	<u>225</u>

During the year, properties in Southampton were disposed of generating a profit of £157k, losses of £85k were incurred in Park Families Limited following the disposals of the Warren Park, Sharps Copse and Dunsbury Way nurseries (2022: £225k).

6. CHARITABLE ACTIVITIES COSTS

	Staff Costs	Other direct costs	Depreciation	Support costs	Total
	£'000	£'000	£'000	£'000	£'000
Early Years Programmes	4,589	716	103	1,119	6,527
Children & Group Programmes	821	767	68	417	2,073
Housing & Accommodation Based Programmes	341	279	3	105	728
Youth Programme	54	24	6	10	94
Family & Community Programmes	468	808	49	200	1,525
YMCA Fairthorne Housing	325	1,156	60	-	1,541
Park Families	551	653	10	10	1,224
Year ended 30/4/23	<u>7,149</u>	<u>4,403</u>	<u>299</u>	<u>1,861</u>	<u>13,712</u>
Year ended 30/04/22	<u>6,378</u>	<u>3,545</u>	<u>305</u>	<u>1,511</u>	<u>11,739</u>
Year ended 30/04/22 £'000					
Early Years Programmes	6,735				
Children & Group Programmes	1,328				
Housing & Accommodation Based Programmes	837				
Youth Programme	271				
Family & Community Programmes	577				
YMCA Fairthorne Housing	1,349				
Park Families	642				
	<u>11,739</u>				

Total expenditure from charitable activities was £13,712k (2022: £11,739k) of which £13,387k (2022: £11,596k) is unrestricted and £325k (2022: £143k) is restricted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

7. SUPPORT COSTS

	Staff costs £'000	Depreciation £'000	Governance costs £'000	Other indirect costs £'000	Total £'000
Early Years Programmes	789	15	47	268	1,119
Children & Group Programmes	294	6	17	100	417
Housing & Accommodation Based Programmes	74	1	4	26	105
Youth Programme	8	-	-	2	10
Family & Community Programmes	141	3	8	48	200
Park Families	-	-	10	-	10
Year ended 30/4/23	1,306	25	86	444	1,861
Year ended 30/04/22	1,081	24	91	315	1,511

	2022 £'000
Early Years Programmes	1,043
Children & Group Programmes	166
Youth Programme	227
Family & Community Programmes	75
	<u>1,511</u>

Support costs have been apportioned against charitable activities shown in note 6 in proportion to income in note 4 to reflect the proportion of time supporting statutory and trustee matters.

8. GOVERNANCE COSTS

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Audit and accountancy fees	46	27	38	25
Affiliation fee	36	30	48	42
Trustees indemnity insurance	4	4	5	5
	<u>86</u>	<u>61</u>	<u>91</u>	<u>72</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging /(crediting):

	2023 £'000	2022 £'000
Depreciation - owned assets	324	329
Surplus on disposal of fixed asset (see note 5)	157	225
Hire of vehicles and equipment	217	80
Property rental	284	224
Auditors' remuneration - audit fee	30	25
Auditors' remuneration - other services	16	13

The above figures are the audit and other services for all trading entities in the group.

10. TRUSTEE REMUNERATION AND BENEFITS

No trustee received any remuneration in the period. Trustees indemnity insurance of £4k (2022: £5k) was paid in the period. No expenses were reimbursed to any trustees in either the current year or prior period.

11. STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	7,648	6,770
Social security costs	514	483
Pension costs	293	206
	<u>8,455</u>	<u>7,459</u>

The average number of employees during the period was as follows:

	2023	2022
Charitable activities	406	374
Support staff	24	35
Housing, support and care	23	10
	<u>453</u>	<u>419</u>

The number of employees whose benefits (excluding employer pension costs) exceeded £60,000 for the period was :

	Year ended 30/4/23	Year ended 30/04/22
£60,001-£70,000	2	1
£70,001-£80,000	-	1
£90,001-£100,000	1	-
£100,001-£110,000	-	1
£110,001-£120,000	1	-

Pension contributions payable for the above employees for the year were £21k (2022: £11k).

Key management personnel of the group include Trustees, Directors of the subsidiaries and the senior management team. The total employee benefits to the key management personnel for the year were £659k (2022: £477k).

During the year, termination payments totalling £109k (2022: £21k) were made to 15 (2022: 8) employees.

During the year, ex-gratia payments totalling £48k (2022: £nil) were made to 4 (2022: nil) employees.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

12. COMPARATIVE FOR THE STATEMENT OF FINANCIAL ACTIVITY - 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
INCOME AND ENDOWMENTS FROM			
Donations and legacies	303	20	323
Charitable activities			
Early Years Programmes	5,983	24	6,007
Children & Group Programmes	1,193	71	1,264
Housing & Accommodation Based Programmes	953	1	954
Youth Programme	29	10	39
Family & Community Programmes	454	3	457
YMCA Fairthorne Housing	1,303	-	1,303
Park Families	394	-	394
Other	225	-	225
Total	10,837	129	10,966
EXPENDITURE ON			
Charitable activities			
Early Years Programmes	6,672	63	6,735
Children & Group Programmes	1,252	76	1,328
Housing & Accommodation Based Programmes	836	1	837
Youth Programme	270	1	271
Family & Community Programmes	575	2	577
YMCA Fairthorne Housing	1,349	-	1,349
Park Families	642	-	642
Total	11,596	143	11,739
NET INCOME / (EXPENDITURE)	(759)	(14)	(773)
Other recognised gains/(losses)			
Gains/(losses) on revaluation of fixed assets	436	(436)	-
NET MOVEMENT IN FUNDS	(323)	(450)	(773)
RECONCILIATION OF FUNDS			
Total funds brought forward	8,215	2,208	10,423
TOTAL FUNDS CARRIED FORWARD	7,892	1,758	9,650

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

13. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £'000	Leasehold property £'000	Plant and machinery £'000	Computer equipment £'000	Totals £'000
COST					
At 1 May 2022	17,686	599	1,802	365	20,452
Additions	31	-	115	3	149
Impairment	-	(317)	-	-	(317)
Disposals	(268)	-	(334)	(76)	(678)
At 30 April 2023	<u>17,449</u>	<u>282</u>	<u>1,583</u>	<u>292</u>	<u>19,606</u>
DEPRECIATION					
At 1 May 2022	2,470	121	1,256	314	4,161
Charge for the period	209	10	80	25	324
Disposals	(16)	-	(219)	(78)	(313)
At 30 April 2023	<u>2,663</u>	<u>131</u>	<u>1,117</u>	<u>261</u>	<u>4,172</u>
NET BOOK VALUE					
At 30 April 2023	<u>14,786</u>	<u>151</u>	<u>466</u>	<u>31</u>	<u>15,434</u>
At 30 April 2022	<u>15,216</u>	<u>478</u>	<u>546</u>	<u>51</u>	<u>16,291</u>

The value of land included in freehold properties that is not subject to depreciation is £9,062k (2022:£9,062k) for the group.

CHARITY

	Freehold property £'000	Plant and machinery £'000	Computer equipment £'000	Totals £'000
COST				
At 1 May 2022	12,229	1,567	365	14,161
Additions	8	116	3	127
Disposals	(268)	(132)	(76)	(476)
At 30 April 2023	<u>11,969</u>	<u>1,551</u>	<u>292</u>	<u>13,812</u>
DEPRECIATION				
At 1 May 2022	2,356	1,117	314	3,787
Charge for the period	164	76	25	265
Disposals	(16)	(108)	(78)	(202)
At 30 April 2023	<u>2,504</u>	<u>1,085</u>	<u>261</u>	<u>3,850</u>
NET BOOK VALUE				
At 30 April 2023	<u>9,465</u>	<u>466</u>	<u>31</u>	<u>9,962</u>
At 30 April 2022	<u>9,873</u>	<u>450</u>	<u>51</u>	<u>10,374</u>

The value of land included in freehold properties that is not subject to depreciation is £5,046k (2022: £5,046k) for the charity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

14. DEBTORS

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Trade debtors	720	483	695	555
Other debtors	46	42	25	21
Prepayments and accrued income	406	334	389	344
Amounts owed from group undertakings	-	-	-	320
	<u>1,172</u>	<u>859</u>	<u>1,109</u>	<u>1,240</u>

Trade debtors are expressed net of bad debt provisions totalling £467k for the group (2022: £341k) and £174k for the charity (2022: £134k). The charity has also fully provided against balances due from Park Families Limited totalling £650k (2022: £nil).

15. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Bank loans and overdrafts	6,391	3,784	6,568	3,973
Trade creditors	564	494	435	349
Tax and social security	310	220	343	224
Other creditors	78	1	19	2
Accruals	429	346	325	229
Deferred income (note 16)	1,645	1,612	1,634	1,500
Amounts owed to group undertakings	-	854	-	623
	<u>9,417</u>	<u>7,311</u>	<u>9,324</u>	<u>6,900</u>

16. DEFERRED INCOME - GROUP AND CHARITY

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Balance at start of period	1,634	1,500	1,046	1,039
Amounts released to income	(1,634)	(1,500)	(1,046)	(1,039)
Amounts deferred in period	<u>1,645</u>	<u>1,612</u>	<u>1,634</u>	<u>1,500</u>
Balance at end of period	<u>1,645</u>	<u>1,612</u>	<u>1,634</u>	<u>1,500</u>

Deferred income comprises advanced fees paid for programmes and nursery places together with the future performance related elements of contracts and grants.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Bank loan	-	-	36	-
	<u>-</u>	<u>-</u>	<u>36</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

18. BANK LOAN

The bank loans and overdraft facilities are secured over the group's freehold property.

The loans of the charity and fellow group companies are secured on the assets of YMCA Fairthorne Group and its subsidiaries via a bank cross guarantee.

The charity has a £4,500k loan facility, from which £4,350k was drawn down in 2017 and £150k was drawn down in January 2018.

This loan is due to be repaid 5 years after the date of its first draw down. Repayments are being made based on a 19 year repayment profile. Interest accrues on the loan at a rate of 1.99% above the Bank of England base rate.

During 2018, YMCA Fairthorne Housing took out a long term loan for £2,870k; the full amount being drawn down.

This loan is due to be repaid 5 years after the date of draw down. Repayments are being made based on a 20 year repayment profile. Interest accrues on the loan at a rate of 1.99% above the Bank of England base rate.

During both the current and prior period, the bank allowed for capital repayment holidays. No capital repayments were made between October 2021 and March 2022 as a result. Repayments recommenced April 2022 in line with the original loan agreement's agreed repayment plan. Interest was calculated on outstanding balances and paid via the respective bank accounts.

The Trustees acknowledge the continued level of creditors falling due within one year. The balance relates to the Barclays loan, an extension of the loan terms has been agreed with Barclays, the terms of the loan are due for renewal in April 2024. Conversations regarding the renewal continue to take place and the trustees fully intend to renew the terms of the loan and believe the going concern of the organisation is not impacted by the renewal.

An analysis of the maturity of the bank loans is given below:

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Amounts falling due within one year	6,391	3,784	6,568	3,973
Amounts falling due between one and two years	-	-	36	-
	<u>6,391</u>	<u>3,784</u>	<u>6,604</u>	<u>3,973</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

19. MOVEMENT IN FUNDS

GROUP

	At 1 May 2022 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At 30 April 2023 £'000
Unrestricted					
General Fund	8,231	12,017	(13,363)	127	7,012
Pension Fund	(339)	-	(24)	-	(363)
	<u>7,892</u>	<u>12,017</u>	<u>(13,387)</u>	<u>127</u>	<u>6,649</u>
Restricted funds					
Restricted Fund	1,758	259	(325)	(127)	1,565
TOTAL FUNDS	<u><u>9,650</u></u>	<u><u>12,276</u></u>	<u><u>(13,712)</u></u>	<u><u>-</u></u>	<u><u>8,214</u></u>

CHARITY

	At 1 May 2022 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At 30 April 2023 £'000
Unrestricted					
General Fund	4,340	9,971	(11,340)	127	3,098
Pension Fund	(339)	-	(24)	-	(363)
	<u>4,001</u>	<u>9,971</u>	<u>(11,364)</u>	<u>127</u>	<u>2,735</u>
Restricted funds					
Restricted Fund	1,738	202	(252)	(127)	1,561
TOTAL FUNDS	<u><u>5,739</u></u>	<u><u>10,173</u></u>	<u><u>(11,616)</u></u>	<u><u>-</u></u>	<u><u>4,296</u></u>

Comparatives

GROUP

	At 1 May 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At 30 April 2022 £'000
Unrestricted					
General fund	8,597	10,837	(11,639)	436	8,231
Pension Fund	(382)	-	43	-	(339)
	<u>8,215</u>	<u>10,837</u>	<u>(11,596)</u>	<u>436</u>	<u>7,892</u>
Restricted funds					
Restricted fund	2,208	129	(143)	(436)	1,758
TOTAL FUNDS	<u><u>10,423</u></u>	<u><u>10,966</u></u>	<u><u>(11,739)</u></u>	<u><u>-</u></u>	<u><u>9,650</u></u>

CHARITY

	At 1 May 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At 30 April 2022 £'000
Unrestricted					
General fund	4,704	8,848	(9,648)	436	4,340
Pension Fund	(382)	-	43	-	(339)
	<u>4,322</u>	<u>8,848</u>	<u>(9,605)</u>	<u>436</u>	<u>4,001</u>
Restricted funds					
Restricted fund	2,208	109	(143)	(436)	1,738
TOTAL FUNDS	<u><u>6,530</u></u>	<u><u>8,957</u></u>	<u><u>(9,748)</u></u>	<u><u>-</u></u>	<u><u>5,739</u></u>

YMCA FAIRTHORNE GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

20. RESTRICTED FUNDS - GROUP AND CHARITY

	At 1 May 2022 £'000	Income £'000	Expenditure £'000	Transfers between funds	At 30 April 2023 £'000
YMCA Southampton	363	-	(5)	(127)	231
Winchester House	342	-	(5)	-	337
Hampshire Community Foundation	270	-	(1)	-	269
Andover House	688	-	(33)	-	655
Other Restricted	75	202	(208)	-	69
	<u>1,738</u>	<u>202</u>	<u>(252)</u>	<u>(127)</u>	<u>1,561</u>
Charity Total					
YMCA Fairthorne Housing	-	57	(53)	-	4
Park Families	20	-	(20)	-	-
	<u>20</u>	<u>57</u>	<u>(73)</u>	<u>-</u>	<u>4</u>
	<u>1,758</u>	<u>259</u>	<u>(325)</u>	<u>(127)</u>	<u>1,565</u>
Comparatives	At 1 May 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	At 30 April 2022 £'000
YMCA Southampton	509	-	(14)	(132)	363
YMCA Isle of Wight	308	-	(4)	(304)	-
Winchester House	347	-	(5)	-	342
Hampshire Community Foundation	273	-	(3)	-	270
Andover House	700	-	(12)	-	688
Other restricted	71	109	(105)	-	75
	<u>2,208</u>	<u>109</u>	<u>(143)</u>	<u>(436)</u>	<u>1,738</u>
Charity Total					
Park Families	-	20	-	-	20
	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>
Group Total	<u>2,208</u>	<u>129</u>	<u>(143)</u>	<u>(436)</u>	<u>1,758</u>

The restricted funds that have been received and expended in the period comprise:

Restricted funds	Nature of fund
YMCA Southampton: Empty Property Grant	Social housing provision at George Williams House and Kimber House. One unit of Kimber House was sold during the year.
YMCA Isle of Wight: Empty Property Grant	Social housing provision at Albany View. The three properties at Albany View were all disposed of during the year.
Winchester House	Property with restriction on disposal
Hampshire Community Foundation	Newtown Youth Centre Grant
Andover House	Property with restriction on disposal

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 30 April 2023	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Group			
Tangible fixed assets	13,942	1,492	15,434
Current assets	2,488	73	2,561
Current liabilities	(9,417)	-	(9,417)
Long term liabilities	-	-	-
Pension scheme liability	(364)	-	(364)
	<u>6,649</u>	<u>1,565</u>	<u>8,214</u>
Charity			
Tangible fixed assets	8,470	1,492	9,962
Current assets	1,940	69	2,009
Current liabilities	(7,311)	-	(7,311)
Long term liabilities	-	-	-
Pension scheme liability	(364)	-	(364)
	<u>2,735</u>	<u>1,561</u>	<u>4,296</u>
 Fund balances at 30 April 2022			
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Group			
Tangible fixed assets	14,626	1,665	16,291
Current assets	2,965	93	3,058
Current liabilities	(9,324)	-	(9,324)
Long term liabilities	(36)	-	(36)
Pension scheme liability	(339)	-	(339)
	<u>7,892</u>	<u>1,758</u>	<u>9,650</u>
Charity			
Tangible fixed assets	8,709	1,665	10,374
Current assets	2,531	73	2,604
Current liabilities	(6,900)	-	(6,900)
Long term liabilities	-	-	-
Pension scheme liability	(339)	-	(339)
	<u>4,001</u>	<u>1,738</u>	<u>5,739</u>

YMCA FAIRTHORNE GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

22. COMMITMENTS UNDER OPERATING LEASES

	2023 £'000	2022 £'000
GROUP		
Operating leases which expire:		
Within one year	559	328
In two to five years	1,088	909
Over five years	5,812	2,273
	7,459	3,510
CHARITY		
Operating leases which expire:		
Within one year	559	304
In two to five years	1,088	909
Over five years	5,812	2,273
	7,459	3,486

23. EMPLOYEE BENEFIT OBLIGATIONS

YMCA Fairthorne Group 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 Fairthorne Group.

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% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, which represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. YMCA Fairthorne Group has been advised that it will need to make monthly contributions of £5k from 1 May 2023. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 3% (2022: 3%). The current recovery period is 6 years commencing 1st May 2023.

	Within 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	After 5 years £'000	Total £'000
30 April 2023	57	58	184	65	364
30 April 2022	44	46	145	104	339

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

24. CONTINGENT LIABILITIES

Note 13 to the financial statements includes a property which is subject to a contingent payment on sale. In the unlikely event that the property was sold, at its most recent obtained valuation of £870k, an amount of £348k (representing 40%) of the sale proceeds would be payable to the Girls' Friendly Society. No liability has been recognised in the financial statements as YMCA Fairthorne Group has no immediate plans to sell the property. This liability remains at 40% up until 2024; thereafter there would be no amount to pay.

YMCA FAIRTHORNE GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

25. RELATED PARTY DISCLOSURES

YMCA Fairthorne Group has two subsidiaries, YMCA Fairthorne Housing, Park Families Limited and a linked charity, Newtown Youth Centre Charity.

YMCA Fairthorne Housing

During the year YMCA Fairthorne Group received management charges of £366k (2022: £511k) from YMCA Fairthorne Housing. YMCA Fairthorne Housing also paid £191k (2022: £268k) for staff employed by YMCA Fairthorne Group. In addition to these transactions, YMCA Fairthorne Housing uses the bank accounts of YMCA Fairthorne Group for treasury management purposes. At 30 April 2023 the balance on the intragroup account due to YMCA Fairthorne Housing was £854k (2022: £623k).

Park Families Limited

At 30 April 2023 the balance on the intragroup account due from Park Families Limited was £nil (2022:£320k).

26. SUBSIDIARY COMPANIES

The Charity controls a subsidiary undertaking, YMCA Fairthorne Housing, Charity number 1146415, a company limited by guarantee without share capital and with a status of a provider of social housing (registered social number: 4875).

During the prior year, the Charity acquired an additional subsidiary undertaking, Park Families Limited, Charity number 1105043, a company limited by guarantee without share capital. The date of acquisition of Park Families Limited was 20 September 2021 and at that date the company had net assets totalling £309k.

YMCA Fairthorne Group is the sole trustee of Newtown Youth Centre (charity number 301950).

The Newtown Youth Centre charity did not trade in the current or preceding period.

The registered office of all subsidiaries is Fairthorne Manor, Botley Road, Curbridge, Southampton, Hampshire, SO30 2GH.

	YMCA Fairthorne Housing 01/05/2022 - 30/04/2023 2022 £'000	YMCA Fairthorne Housing 01/05/2021 - 30/04/2022 2021 £'000	Park Families Limited 01/05/2022- 30/04/2023 2022 £'000	Park Families Limited 01/10/2021 - 30/04/2022 2022 £'000
Turnover	1,576	1,306	631	394
Gross profit	1,576	1,306	631	394
Administrative expenses / resources expended	(1,542)	(1,349)	(1,308)	(642)
Surplus / (deficit) for the period	<u>34</u>	<u>(43)</u>	<u>(677)</u>	<u>(248)</u>

The aggregate of the assets, liabilities and funds was:

	YMCA Fairthorne Housing 2022 £'000	YMCA Fairthorne Housing 2021 £'000	Park Families Limited 2022 £'000	Park Families Limited 2022 £'000
Assets	6,610	6,537	269	778
Liabilities	(2,724)	(2,685)	(887)	(718)
	<u>3,886</u>	<u>3,852</u>	<u>(618)</u>	<u>60</u>