

**YMCA
ENGLAND**

**Annual Report
and Accounts
2015-16**



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What We Do

YMCA England is part of the largest and oldest youth charity in the world, helping over 58 million people in 119 countries.

We support and represent the 130 YMCAs that make up the YMCA Federation in England and Wales, helping them realise the vision we all share, by doing the things they can't. Sometimes that means representing, strengthening or leading, but always it means serving.

We support local YMCAs by promoting high standards of working, sharing best practice and fundraising on their behalf, partnering with them to pilot new projects, and providing training opportunities for their staff and volunteers.

We give local YMCAs a national voice, by speaking with government, key policy makers and national media, and represent YMCAs by advocating for the needs of the most vulnerable young people in England.

Together, we deliver approximately 10,000 bed spaces for young people every night. We intensively support over 228,000 young people, help almost 43,000 people engage in education, skills and training and impact upon the lives of nearly 600,000 people every year.

Welcome to YMCA England's Annual Report 2015-16

The last few years have been focused on new ways of working at YMCA England. In 2014, we launched our first ever shared federation strategy, which in turn shaped our business plan. This set out how we would drive the delivery of the federation strategy, while securing our own financial future and ensuring we were in shape to fulfil our responsibilities.

Now at the end of the second year, much of what we set out to do has been achieved or is in progress, and at the end of 2016 we were well on our way to making YMCA stronger, more sustainable and focused on delivering quality and much needed services for young people and their communities. We are now evaluating the impact and reviewing the relevant priorities in a fast changing environment.

2015-16 was very much focused on increasing our impact, extending our influence, working together better and shaping our future – the four aims outlined in the federation strategy.

Early in the year, CEOs from across the federation were brought together to form three new steering groups to work alongside the existing Health and Wellbeing group. Focusing on family work, accommodation and training and education, they started to look in-depth at how we could create impact by having a number of signature programmes that YMCAs can deliver to local communities.

Each group's aim is to develop some transformation programmes, which will carry the national brand and come with a wide range of resources to ensure they are delivered consistently across the country.

Alongside this, we continued to be the voice for young people and extend our influence by releasing four research reports that each focused on the needs and opportunities available for young people. Spearheaded by our manifesto, which was released ahead of the May 2015 election, we looked at the impact of housing benefit cuts and the role of job centres in supporting young people to find long term employment.

Our findings shaped what we recommended to Government and our work around housing benefit entitlement helped secure significant exemptions to the proposed 18 to 21 housing benefit proposals - which will greatly benefit our young people and secure a delay in the government implementation of the one per cent reduction.

YMCAs continued to work better together and in 2015/6 Welsh YMCAs affiliated to YMCA England making our federation stronger. We welcomed our Welsh cousins with open arms and many have already adopted the national brand helping us to secure a better profile and awareness.

However, 2015-16 was not without its challenges and we continued to look at how to could reduce the number of YMCAs going into crisis by developing a health check for all YMCAs. This allowed us to get an initial picture of YMCAs across the country and what support we could offer to help them flourish.

Overall, the year has been positive. We continue to look at our retail operations and how they can be improved, with recommendations being implemented in 2016-17. We received an exceptional legacy of £1.2m which will allow us to invest in our fundraising strategy and acquire new supporters.

Year on year we receive support from generous donors, without whom none of what we do to help young people belong, contribute and thrive would be possible. Having supporters is essential in our success so we would like to say a huge thank you. We would also like to thank staff and in particular volunteers, many of whom serve on our Board and Committees. 2015-16 was a great year, let's make 2016-17 even better.



Ayub Khan
Vice-Chair, YMCA England

A large, flowing black ink signature of Denise Hatton's name, appearing to be "Denise Hatton".

Denise Hatton
Chief Executive, YMCA England

Strategic Objectives

YMCA England has four overall aims:

1. Driving delivery of the federation strategy
2. Securing our financial future
3. Ensuring a fit-for-purpose infrastructure
4. Protecting and enhancing the YMCA

Strategic objectives

The following objectives were identified in the YMCA England strategy for 2014-2017:

Driving delivery of the federation strategy

- To engage at least two thirds (65 per cent) of YMCAs in delivering the federation strategy
- To work with the YMCA federation to facilitate delivery of 80 per cent of the federation strategy objectives and targets
- To see a marked and independently evaluated increase in the impact and influence of the YMCA through achieving the federation strategy objectives

Securing our financial future

- One per cent of income generated as surplus per annum by 2017
- Operating within reserves policy by 2017
- Staff costs to be within 50 per cent of total expenditure (including pension deficit payments)

Ensuring a fit-for-purpose infrastructure

- To have a flexible, fleet-of-foot structure in place that delivers the federation strategy within YMCA England financial constraints
- For YMCA England to no longer be a social landlord – all housing devolved to member YMCAs
- To increase efficiency across the organisation

Protecting and enhancing the YMCA

- Achieve cross-federation agreement on what it means to be an inclusive Christian federation in England in the 21st century
- Define the roles, responsibilities and priorities for English YMCAs in the global federation
- Establish UK-wide reach through partnerships with the YMCA councils for Scotland, Wales and Ireland

This report shows how we performed against the aims we set ourselves for 2015-16, how we delivered value and the impact we made.

Review of Strategic Aims and Achievements

Our aims for 2015-16

1. Increase our Impact

In Progress: Development of national YMCA branded programmes.

Steering Groups have been set up in four of our work areas; Accommodation; Family Work; Health and Wellbeing; and Training and Education. These groups are working towards developing national branded programmes.

All existing national programmes have been rebranded, which includes YMCA OnSide and YMCA Mental Health Champions, and a template has been put in place to brand and formalise any future national programmes.

In Progress: Building the capacity of YMCAs to deliver these high quality programmes.

2. Extend our Influence

Achieved: Expanding our research programme.

Four main research reports were produced during 2015-16 (against a Federation Plan target of three). The first was the production and launch of the YMCA Manifesto for the 2015 General Election. This was followed up by the Uncertain Futures report – a report examining the potential impact of removing automatic entitlement to Housing Benefit for 18 to 21 year olds; and the Safety Net or Springboard? report, which examined the role of the job centre in supporting young people to find long term employment.

The final report of the year was What Matters Most – a survey of over 2,000 young people aged 16 to 24 to find out what public policy issues mattered most to them and their perceptions of YMCA and the services it provides.

Achieved: Campaigning, public relations and lobbying.

The year began with intensive support given to YMCAs in organising local hustings for the General Election; followed up immediately after the election with approaches to new MPs and Ministers to promote the work of YMCA.

Three Parliamentary events were held during the year – the launch of the YMCA Manifesto; the One Million Voices launch event on behalf of YMCA World Alliance, and a Be Real Campaign event for campaign sponsors and supporters.

YMCA England continues to be a key partner in the All Party Parliamentary Group on Youth Affairs and three meetings were held during the year attended by MPs and Peers from all political parties and around 250 young people. YMCA England also participated in organisation of the Youth Homeless Parliament, attended by around 100 young people.

YMCA engages in regular meetings and correspondence with MPs and Peers, particularly with our Parliamentary Patrons. We receive frequent mentions in Parliament and the Safety Net or Springboard? research report was subject to a Westminster Hall debate initiated by one of YMCA's Parliamentary Patrons. YMCA also held three fringe meetings at each of the Party Conferences.

Within government YMCA has particularly focussed on three main issues since the General Election – potential reduction in automatic housing benefit entitlement for 18 to 21s; the proposed 1% reduction every year in social rent over four years; and towards the end of the year the emerging threat posed by the proposed Local Housing Allowance ("LHA") cap on social rents. YMCA helped secure significant exemptions to the proposed 18 to 21 housing benefit proposals which will benefit greatly the young people YMCAs serve; as well as securing a delay in the government implementation of the 1% reduction. Work is ongoing on the LHA proposal.

3. Work Better Together

Achieved: Implementing the vision and brand within the Federation.

Sixty-nine per cent of YMCAs have adopted the national brand – against a target of 50 per cent set in the Federation Plan. This represents 75 per cent of the total federation turnover with 16 out of the 20 highest turnover YMCAs having adopted the national brand.

In progress: Development of governance, affiliation, rights and responsibilities.

Work has commenced to engage with Member YMCAs to grow a number of agreed key rights and responsibilities that could be adopted on a voluntary basis with a view of them becoming mandatory at some point in the future.

4. Shape our Future

In Progress: Getting 65 per cent of YMCAs to engage in the Federation strategic plan.

A number of YMCAs are actively engaged, 69 per cent on brand. Although no formal sign up, our estimate is that more than 65 per cent are engaged solely on a brand level.

Achieved: Reducing the number of YMCAs going into crisis.

The development of a health check is in place from information collected from the Charity Commission website. Further work is now being developed to collect information that is more "live" and current.

5. Further Objectives

In Progress: To secure our financial future; by increasing our income and reducing costs to ensure our sustainability.

YMCA England has reported a surplus for the year and has performed a review of our Retail operations (which generate almost 50 per cent of our total income) to improve their performance. The recommendations are being implemented in the current year. During the year we received an exceptional legacy of £1.2m part of which is to be invested in reviewing our fundraising strategy with a view to generating increased income in future years.

In progress: To ensure a fit-for-purpose infrastructure; by creating a new, streamlined structure to deliver the federation strategy within our financial constraints.

YMCA England is restructuring its retail operation to ensure it is fit for purpose in the challenging charity retail sector. A review of the Federation Strategy will be undertaken to ensure resources remain focused on providing the right support to increase the influence and impact of the YMCA.

In progress: To protect and enhance the YMCA; by acting as guardian for all the YMCA stands for in England and contributing to its development at home and abroad.

YMCA England consulted with the Federation on how best we share best practice and innovation to support our Christian Ethos. International engagement goes from strength to strength with two trustees elected to the World and European Executive and a successful discovery visit by YMCA leaders to YMCA Canada.

Looking Ahead

YMCA England is responsible for overseeing and coordinating delivery of the YMCA Federation strategic plan and leading much of the national work. The plan aims to:

1) Increase our impact by

- development of national YMCA branded programmes
- building the capacity of YMCAs to deliver these high quality programmes

2) Extend our influence by

- expanding our research programme
- campaigning, public relations and lobbying

3) Work together better by

- implementing the vision and brand within the Federation
- development of governance, affiliation, rights and responsibilities

4) Shape our future by

- getting 65% of YMCAs to engage in the Federation strategic plan
- reducing the number of YMCAs going into crisis

This will form the majority of YMCA England's activity for the next three years.

Each and every YMCA in England is responsible for the successful delivery of the Federation strategy; it only works if we work together. As part of that, YMCAs have specific roles and responsibilities. Accordingly, YMCA England has three further objectives:

- To secure our financial future; by increasing our income and reducing costs to ensure our sustainability
- To ensure a fit-for-purpose infrastructure; by creating a new, streamlined structure to deliver the federation strategy within our financial constraints
- To protect and enhance the YMCA; by acting as guardian for all the YMCA stands for in England and contributing to its development at home and abroad

Risk Management and Internal Controls

YMCA England operates a comprehensive corporate risk management process in order to ensure the appropriate steps are taken to manage and mitigate risk.

The Board of Trustees has overall responsibility for ensuring that we operate an appropriate system of controls, financial and otherwise, to provide reasonable assurance that

- We are operating efficiently and effectively
- Our assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within YMCA England or for publication is reliable
- We comply with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. These include

- A strategic plan and budget approved by the Board
- Regular consideration by the Board, Finance and Audit Committee and Senior Management Team of financial results, variances from budgets and non-financial performance indicators
- Delegation of authority and segregation of duties
- Identification and management of financial and other risks by the Board and Senior Management Team
- Reviews of key risk areas by internal audit.

The Finance and Audit Committee monitors the effectiveness of any internal and external audits and reviews our risk management processes. The committee has provided the following statement: The Finance and Audit Committee has reviewed the reports from the Senior Management Team, the internal and external auditors and considers that internal controls and risk management have operated effectively during the year.

The Board operates a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks we face, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks. As part of this process the Board receives regular reports detailing major risks, approves plans for the implementation or enhancement of procedures and policies where these are required, and otherwise ensures that appropriate steps are being taken to manage the key risks. Approved actions are implemented by senior managers who are accountable to the Board.

The current most significant risks and their mitigation are:

1) Potential impact of significant changes in Government policy, particularly regarding social housing funding

Actions being taken

- Close monitoring of proposals by Policy team, with regular updates for local YMCAs.
- A conference held in April 2016 highlighting options for YMCAs involved in housing “The future of housing in the YMCA.”

2) Significant decrease in the income generated from fundraising, retail or grant income

Actions being taken

- Regular reforecasts with revised expenditure targets that include savings that can be made in short-term eg project work; review of poorly performing shops with closure where possible; close monitoring of fundraising income.
- Review of the income model for YMCA England to include review of fundraising strategy and review of affiliation fee as part of the rights and responsibilities process.

3) Increasing obligations to pension deficit

Actions being taken

- Close liaison with Pension Trustee.
- Working group meeting to explore further options.
- Potential orphan liabilities are being managed to reduce impact on the wider members.

4) Delays in the housing disposal process

Actions being taken

- Negotiations continue with local housing partners to purchase the housing schemes

5) Serious failure at/of a local YMCA

Actions being taken

- Health check monitoring currently being piloted with local YMCAs and is being road tested across the Federation as part of the rights and responsibilities process.
- Development of an on-line toolkit and Trustee Induction to assist YMCAs to strengthen their governance (in co-ordination with YMCA Scotland and Ireland), was launched alongside the health check.
- Development of Chairs Network and annual dinners.
- Development of a preferred suppliers list for specialist expertise.
- Ad-hoc support from YMCA Federation given as soon as an issue becomes known

6) Inadequate response to a serious reputational incident within the YMCA Federation

Actions being taken

- Support and monitoring of incidents reported, including media support and links with another YMCA that has been through similar process.

7) State of Retail portfolio

Actions being taken

- Significant investment being made to improve the state of our shops and resolve any health & safety issues.

The Trustees believe that the system of internal controls has been adequate to provide assurance against material misstatement or loss.

Public Benefit Statement

The Board has considered the general guidance on public benefit issued by the Charity Commission, has taken due regard of that guidance and is satisfied that the charity's activities do provide wider public benefit.

This is demonstrated in pages 5 to 9 of this report.

Case studies

Mental Health Champions

Previous YMCA consultation with both staff and service users identified mental health issues as a principal concern when it comes to the health and wellbeing of young people. All indicators point to an alarming rise in the number of young people suffering with poor mental health and funding pressures mean access to Childhood and Adolescent Mental Health Services (CAMHS) is becoming more and more difficult. More than 850,000 children and young people in the UK have a diagnosed mental health condition and half off all adult psychiatric cases can be traced back to early teenage years.

With an emphasis on prevention, and thanks to a grant from Department for Education, YMCA launched the Mental Health Champions programme in April 2015. Piloted through three local associations YMCAs the programme is built around three key strands of delivery:

- A peer to peer service which aims to increase the knowledge and awareness of mental health issues whilst at the same time destigmatising these conditions.
- A programme of educational workshops targeted at key adults in order to better help them understand and support young people with poor mental health.
- A counselling service that provides an early access, responsive service that tackles issues before they escalate to a point where a referral to CAHMS is needed.

The project has proven to be hugely successful. It has worked with over 4,500 young people and has helped educate over 400 key adults. Demand for the counselling service has outstripped supply and independent evaluation has shown that our service user's awareness and attitudes to mental health have improved. Furthermore, 90% of those accessing the counselling service have reported a decline in their levels of distress.

Mental Health remains a key concern for our young people and we have an aspiration to scale up services such as Mental Health Champions so that YMCA can continue to have a positive impact on the lives of the people we serve.

Welsh YMCA Manifesto

YMCA from all over Wales created their first ever Manifesto ahead of the 2016 Assembly elections. Providing a loud and clear voice for young people and communities across the country, the document spells out what the people YMCA supports believe should be prioritised as the most important policies for the incoming Welsh Assembly Members.

More than 500 people fed directly into the document, put together by YMCA England's Policy and Research team. It comes after YMCA in Wales were officially affiliated into the National Council in December 2015.

The Manifesto focuses on the five key areas of support that YMCA all over Wales provide 365-days-a-year, namely accommodation, training and education, health and wellbeing, family work and democracy and engagement.

The manifesto was launched at a reception in the Pierhead Building, Cardiff Bay, which saw YMCA staff, volunteers, trustees, young people and service users join with partners and Assembly Members. Among the Assembly members in attendance were Julie James AM, who sponsored the event, Peter Black AM, Jeff Cuthbert AM, John Griffiths AM, and Mark Isherwood AM.

Trustees Report

Financial Review

Format of accounts

As a Registered Social Landlord, YMCA England is governed by the regulations of the Statement of Recommended Practice issued by the National Federation of Housing Associations (the Housing SORP) and the Accounting Direction for Private Registered Providers of Social Housing from April 2015 (the Accounting Direction).

As a leading UK charity, our Board of Trustees has chosen to follow the 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 Ireland (FRS 102) (effective 1 January 2015) issued by the Charity Commission (the Charities SORP), so long as it does not conflict with the Housing SORP.

As a company limited by guarantee, we must follow the Companies Act 2006 and applicable accounting standards. To meet the terms of this Act, we have prepared a separate income and expenditure account. To comply with the Housing SORP and the Accounting Requirements of Private Registered Providers of Social Housing, this has been configured to separate the performance of housing and non-housing activities.

Implementation of the new Housing SORP and Charities SORP has required a restatement of the opening reserves as at 1 April 2014 which is detailed in note 15 to these accounts. The main impact has been to make provision for the contractual pension deficit payments of £10.4m payable over 12 years. At the same time we have taken advantage of the transitional arrangements to show our housing assets at their valuation on 1 April 2014. As these housing schemes are currently being offered for sale to the managing agents at a 45% reduction, the valuation is on the reduced value and the uplift shown in the accounts is £11m.

Consolidation

In these accounts we have brought together the results of YMCA England with:

1) Our three connected subsidiary charities

- Dunford House Trust, which owns Dunford House
- Douglas Wood Charity, which provides funding for agricultural training activities
- The YMCA Trust Fund (known as The Movement Trust Fund), which provides grants and loans to YMCAs.

2) Our two subsidiary trading companies (described in note 8 to the accounts)

In order to prevent a tax charge arising in the charity, subsidiary trading companies which Gift Aid their surpluses to YMCA England are required. Their individual performances are considered to be satisfactory, given the current operating environment.

3) Restricted funds under the control of YMCA England

Over time several trusts and funds have come under the stewardship of YMCA England. Usually these were for buildings or were trusts with particular objectives, and most were not significant and have subsequently ceased to exist.

However, there are three groups of trusts that we continue to look after:

- Trusts that share our aims and objectives, which are added to the YMCA England figures on the financial statements and include the subsidiary charities listed above
- Instances where YMCA England has been appointed to act as sole Trustee of a charity and we look after its assets (these are included in the financial statements as part of the restricted Trust and Association funds in note 14)
- Instances where we have been appointed to act as Trustee but we have no financial relationship. This is usually because a YMCA cannot hold title deeds itself and YMCA England holds them as trustee. As these are not the equitable property of YMCA England, we do not include them in the financial statements.

Funds and reserves

Total reserves at 31 March 2016 were £8.35m. Of these, the restricted funds of £2.5m are held for specific purposes and can only be used for these purposes. The remaining reserves are known as "unrestricted" funds.

Unrestricted funds

These are funds that the Board is free to use to support our charitable work. Some of these funds are held in the form of fixed assets (land, buildings and equipment) and part is represented by the pension deficit due after one year. The unrestricted funds available at short notice are known as the "free reserves" and are represented by the net current assets less the debtors falling due after one year.

Movement in unrestricted funds during the year

The 2016 accounts show a net income on unrestricted funds of £2.5m compared to a deficit of £1m in 2015, before the adjustments for revaluation and pension scheme deficit obligations.

Free reserves

Having identified key areas of risk, YMCA England's Board of Trustees aims to hold sufficient free reserves to provide financial stability if our income levels or financial performance changes. The Board's target for free reserves is to hold a minimum of three months of our annual unrestricted income as assessed for risk (the likely variation in the level of our future income). With our current activity, this is equivalent to free reserves of at least £1.4m. As shown in note 15, as at 31 March 2016 free reserves were £2.8m (2015: £0.2m). These reserves are required to enable YMCA England to continue its work should income levels decrease.

In light of the unpredictability of income from fundraising and retail, expenditure continues to be tightly managed by the Senior Management Team to minimise the impact of any significant income falls.

Restricted funds

While still meeting our wider charitable objectives, we have some funding that has restrictions on how it can be spent.

Our main restricted funds are

- Dunford House, which has its own Trust – all surpluses generated by the work of Dunford House are added to the Trust
- YMCA England activities – monies given to us to support specific activities either at local YMCAs or within YMCA England, such as Community Games
- The Movement Trust Fund, the Hartwoodside Award and the Douglas Wood Charity – these funds provide grants and loans for YMCA work
- Other Trust and Association Funds – these are funds we hold on behalf of YMCAs that have closed or when we hold assets on behalf of a specific Trust (not already listed above).

Movement in restricted funds during the year

Restricted funds decreased by £83k (2015: decreased by £44k) during the year. The main items arising from expenditure on the grant funded projects.

The movement during the year on each of our restricted funds is described in more detail in note 14 of the accounts.

Going concern

In line with current best practice, the Board has reviewed the financial impact of those risks identified as part of YMCA England's on-going risk management process and its going concern status. As part of this review, the following have been considered:

- Forecasts and cashflows for future years' income
- Forecasts and cashflows for future years' expenditure
- Future needs, opportunities, contingencies and/or risks

In conclusion, the Board considers that YMCA England has sufficient assets to meet obligations as they arise, on both restricted and unrestricted funds.

Income and Expenditure for the year are set out in detail in the Statement of Financial Activities (SoFA) on page 30.

Review of 2015-16 financial performance

We remain cautiously optimistic about the future despite expected cuts in public spending and continuing uncertainty in the external economic environment.

With our primary focus to support and represent member YMCAs and not to deliver services, we are increasingly dependent on our fundraising activities, especially our YMCA England charity shops, to enable us to carry out this important role. We are very grateful for the commitment, hard work and contribution of all our staff and volunteers.

Income

Total incoming resources were £24.2m of which £0.65m arose from gain on sale of assets (2015: £20.4m of which £1m was deficit on the sale of assets). Income of £9.7m arose from our charity shops (2015: £9.9m) and includes gift aid of £471k (2015: £333k) from sales of donated goods. Income fell due to lower shop numbers and difficulties sourcing sufficient good quality donated stock.

Our housing operations generated an income of £6.5m (2015: £6.4m), leading to an operating surplus of £289k (2015: £396k) for the year. Continuing low interest rates during the year led to an operating surplus on housing activities (before the sale of housing schemes) of £142k (2015: £240k). These are lower than reported in previous years due to the extra depreciation arising from revaluing the housing properties. The surplus will be used to support of our on-going housing stock improvement works.

Affiliation fee income from member YMCAs of £0.7m (2015: £0.745m) continues to be a vital source of funding.

During the year, we sold the housing scheme at Redditch. As there was no interest from within the YMCA Federation this was sold on the open market. Negotiations continue for the sale of the remaining housing schemes to local YMCAs at a significant discount to market value. This has been delayed due to the changes in government funding for social housing.

Expenditure

Total expenditure was £21.7m (2015: £21.7m). Expenditure of £10m arose from the operating costs of the charity shops (2015: £9.95m) and £6.5m from our Housing work (2015: £6.3m). Support and representation for member YMCAs accounted for most of the remaining expenditure.

We distributed £1.36m (2015: £1.28m) to member YMCAs during the year to support their work with and for young people. This figure continues to be supplemented by the broad range of additional services provided to member YMCAs by YMCA England departments.

Looking ahead

As we implement our business plan for 2014-17, our focus for generating income will remain supporting our retail fundraising operations but our investment into partnership fundraising for unrestricted funds will also be a priority.

As part of the review of our activities, the Board took the decision to divest our housing schemes to our local housing partners. Unfortunately only the sale of Redditch scheme was completed during the year but we expect further sales during 2016/17.

Grant making policy

The Movement Trust Fund administers three funds from which grants are made:

- The YMCA Trust fund provides grants to YMCAs in England or Wales to start new projects
- The Hartwoodside Award gives grants to YMCAs to help disabled staff or volunteers to take part in activities such as training courses or conferences
- The Douglas Wood Charity gives grants to young people to train in agriculture, horticulture, farming, environmental protection or other similar activities.

Investment policy and performance

Free unrestricted reserves are held in cash to provide liquidity when required. The majority of our restricted funds are held in a portfolio of common investment funds.

Value for money

YMCA England, led by its Board, considers Value for Money ("VfM") as part of its strategic approach when allocating resources. This means getting the maximum benefit for the resources expended whilst maintaining the quality of services provided.

YMCA England obtains value for money by:

- Allocating resources to areas with the greatest benefit
- Ensuring that our work is delivered in the most cost effective and efficient method
- Utilising spare resources to generate additional income

To achieve VfM we review all of our activities to identify further efficiencies:

- YMCA England has reviewed the provision of its housing operations and has decided that these should be sold to our local housing partners who operate the housing schemes;
- YMCA England asked an external consultant to review our Retail operations to identify potential efficiency savings and their recommendations are currently being implemented.

As part of our VfM strategy we consider all our major expenditure items on a rolling basis:

- Our most significant expenditure is staff salaries. The method of determining staff salaries is described further on page 22;
- We review all major contacts at least every five years. During this year we have reviewed the supplier of internal audit and print services and in the next year are reviewing our banking and telecommunication services;
- The lease on our London offices had a break clause in September 2016 and we have decided to move to cheaper offices. Whilst moving offices incurs significant disruption and expenditure, this must be balanced against the £95k reduction in annual rental costs.

YMCA England is pleased to announce that this move was successfully completed during August 2016.

A few practical examples of how YMCA England is obtaining VfM from across our operations:

- 1) Our housing services are provided by Local Housing Partners (“LHP’s) through a Management Agreement, which allow us to benchmark performance of each provider and to share best practice across the portfolio. The performance of individual LHPs is monitored, and we work with them where issues are highlighted. This is board led, with indicators and narrative on scheme performance provided at each meeting of our Housing Division Board;
- 2) As noted above, YMCA Housing has undertaken a review of its housing portfolio, and as a result has taken the strategic decision to dispose of our managed housing schemes to our Local Housing Partners;
- 3) A member of staff from YMCA Housing is assisting YMCA Retail implement their shop maintenance programme;
- 4) In the current year we are closing the Retail centre at Cheltenham and relocating admin activities to our London office with savings of £70k pa;
- 5) All of our Retail outlets now operate EPOS tills and have scanners to improve the information flow and save on postage costs. The automation of this facility has allowed YMCA Retail to have much better sales information prepared much faster;
- 6) YMCA England participated in the Charity Finance Group’s “Finance Count” benchmarking of the charity finance function. During the current year the purchase approval and authorisation system is being automated;
- 7) Dunford House has filled spare capacity from its residential conference facilities with bed and breakfast bookings generating over £50k of additional income.

Similar arrangements are taking place in other operations.

YMCA England has a continuing commitment to obtaining value for money and continuous improvement in the services provided.

Corporate Governance Statement

Structure, governance and staff

YMCA England

The first YMCA was founded by George Williams in London in 1844. YMCA England was established in 1882 and registered as a charity on 24 September 1962. YMCA England is a company limited by guarantee (incorporated in 1902), a registered social landlord and a registered charity governed by its Memorandum and Articles of Association.

A worldwide movement of YMCAs

Each YMCA is an individual, self-governing charity that affiliates to YMCA England. Through this affiliation, YMCAs become part of the YMCA Movement in England, and part of the World Alliance of YMCAs.

Governance

The Board of Trustees guides YMCA England in its work and development. It provides strategic leadership to the Senior Management Team which is responsible for decisions on operational issues. The Board comprises no more than 12 Trustees elected by members, plus the Honorary Treasurer and two co-options – not more than 15 in total. Trustees serve for a four-year term and may be re-elected for another four years. Once a Trustee has served his or her term, they must wait one year before they can stand for re-election. We hold elections to fill vacancies once a year.

Byelaw Three of the Articles of Association established a Nominations Panel. This panel is accountable to member YMCAs and advises the Board of Trustees in relation to elections and appointments of Trustees and Honorary Officers.

Applications for Board membership are invited from across the YMCA Movement and by external advertisement. Applicants are considered by members of the Nominations Panel and are then recommended to member YMCAs for election according to relevant skills, competencies and experience.

YMCA England continually reviews its governance duties to ensure these continue to be fit for purpose. During the year a task group was formed comprising members of the Board to review the operation of the Board and its sub-groups.

The Board confirms that it fully complies with the Homes and Communities Agency (HCA) Governance and Financial Viability Standard. During the year HCA reporting and regulatory requirements were reviewed and appropriate stress testing was undertaken to ensure compliance.

During 2015/16, one Trustee was formally appointed to the Board. A full listing can be seen on page 25. YMCA England has purchased trustee indemnity insurance.

During the year, the Board of Trustees had two divisional boards

- The Housing Board oversees the management and direction of the housing work of YMCA England. Two YMCA England residents sit on the Housing Board and input into its decisions;
- The Retail Board oversees the operation of our charity shops.

The divisional boards comprise members from the Board of Trustees plus independent persons with specialist expertise.

Plus five committees, panels and advisory groups

1. The Finance and Audit Committee oversees the management and direction of the finances of YMCA England, monitors the effectiveness of internal and external audit and reviews our risk management processes. Key financial decisions are submitted to the Finance and Audit Committee for consideration.
2. The Constitution Task group provides advice on the governance of the National Council and on governance issues for the YMCA Federation in England.
3. The Nominations Panel is tasked with seeking out a range of Trustees to bring a good cross section of skills, experience, backgrounds and involvement from within and outside of the YMCA Movement. It also has responsibility for identifying individuals for the roles of president and vice president.
4. The Dunford House Management Committee monitors the efficient use of financial and human resources, and provides guidance and support to the Centre Manager
5. The Movement Trust Committee recommends to the trustees grants to member YMCAs from the trust funds.

All the above have terms of reference and meet regularly.

Each Board member assesses their performance and the quality of the papers being presented after each meeting.

Board members induction and development

An induction session was held for the new members of the Board prior to their first substantive Board meeting in January. In addition each new Board member receives the Board member's handbook giving background on the operations of YMCA England.

Organisation structure

YMCA England has premises in all parts of the country in order to deliver our shops and housing operations. The members of staff based in London operate from the central London office in Farringdon Road. There are additional administrative offices in Cheltenham (Retail), Manchester (Housing) and Taunton (Company Secretary), and a further team working at YMCA Dunford House in West Sussex.

Our operations are organised into departments. The main ones in place during the year were as follows:

- Chief Executive's Office supports the Board and coordinates the activities of YMCA England.
- Communications and Brand manages the YMCA national brand and develops communications for both member YMCAs and YMCA England. The team manages the YMCA England website, supports member YMCAs to develop their own websites and manages social media channels for YMCA England. It also has responsibility for national media and PR and provides advice and support to member YMCAs on media relations and crisis communications.

- Corporate Services and the Company Secretary provide support to the Board and member YMCAs on all aspects of charity governance.
- Finance provides internal services to ensure that YMCA England operates efficiently and meets regulatory requirements.
- Fundraising raises funds for YMCA England and the YMCA Movement as well as providing fundraising advice and support to member YMCAs.
- Housing acts as a registered housing provider and supports member YMCAs in the management of our social housing schemes.
- Human Resources and Organisational Development is responsible for implementing strategies and policies relating to the management of individuals throughout YMCA England.
- International represents the YMCAs in England and Wales at the European and World Alliance of YMCAs.
- Movement Services provides support, advice and guidance to YMCAs in areas such as HR and governance.
- Policy and Research raises the public profile of YMCA through work with national and local government and works to influence key decision makers.
- Retail operates the YMCA England charity shops, raising funds to support the work of YMCA England and member YMCAs.
- YMCA Dunford House is a residential centre that offers training and conference facilities, and other programmes.

Staff and volunteers

YMCA England relies on the skills and dedication of its staff throughout England and across all of our activities. The Chief Executive holds a monthly consultation for staff on topical issues and regular updates for staff are provided via our intranet site.

The average number of staff we employed during 2015/16 was 382 (down from 398 in 2014/15). Note 3.5 gives more detail on employee costs and staff numbers whilst note 3.6 gives details of the expenses reimbursed to trustees and senior staff.

We need to employ staff with the right skills for their role. Salaries offered are usually significantly lower than those available for comparable roles in the commercial or public sectors. This differential becomes more marked at senior levels. The highest paid member of staff is the Chief Executive earning £82k pa plus pension contributions of £5k.

The majority of our staff (over 80% based on headcount) work part-time in the Retail operation where salaries are set based on the minimum wage. From April 2016 we have implemented the National Living Wage, and intend to increase this further as financial results allow. For the remaining staff the average salary is £31k, giving a remuneration ratio of 2.6 to the Chief Executive.

YMCA England operates a staff grading system for all roles, where points are allocated based on the skills and responsibility of each role which determines the salary level for that role. Salary levels for each grade are set by benchmarking against other voluntary sector organisations. The difficult economic environment has limited the ability of YMCA England to give cost of living increases which over the last 3 years have been 1%, a flat rate of £250 and 1%. All staff receive the same level of increase.

We owe a huge debt of gratitude to the efforts of our volunteers, whose energy and commitment is vital to our work. The majority (over 1000 at any time) are based in YMCA England shops around the country. Others are involved in fundraising, raising awareness of our work at public events and contributing to our governance on the Board, committees, panels and advisory groups.

Equality, diversity and inclusion

Inclusiveness is fundamental to the ethos of the YMCA Movement. We have a wholehearted commitment to welcome people of other faiths and those of none, linked to a confident identity as a Christian faith-based organisation. This includes ensuring that diversity is reflected strongly within our structures and that the services and activities managed by YMCA England are designed to provide equal opportunities.

Our equality, diversity and inclusion strategy includes developing training and learning opportunities for our staff and volunteers. We consult many of our stakeholders to obtain feedback on how we are performing.

Employment of disabled persons

We operate an equal opportunities employment policy. In particular, we give full and fair consideration to applications for employment and volunteering made by people who are disabled having regard to their particular aptitudes and abilities. Where possible, we continue the employment of, and arrange appropriate training for, employees who have become disabled during the period they were employed. People who are disabled are treated in the same way as other employees and volunteers when training, career development and promotion opportunities are being considered.

Full details of these and our other policies are available on request from our registered office.

Statement of trustees' responsibilities

The trustees are responsible for preparing the strategic report, the trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company and social housing regulations require the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the surplus or deficit of the group for the year. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice: Accounting by registered providers of social housing 2014, 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable us to ensure that the financial statements comply with the requirements of the Companies Act 2006, Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing from April 2015. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

Financial statements are published on YMCA England's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of this website is the responsibility of the board. The board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Members of the Board of Trustees

The members of the Board of Trustees who served during the year, including the Chairman, Vice Chair and the Honorary Treasurer, and the Senior Management Team are listed on pages 25 and 26.

Significant issues arising from the audit

The Finance and Audit Committee are responsible for over-seeing the preparation of the financial statements and their audit. The most significant items arising from the audit were the treatment of:

- implementation of FRS102;
- the sale of Redditch housing scheme; and
- the planned sale of further housing schemes.

Appointment of auditors

The Finance and Audit Committee agree the audit strategy each year during which they assess the independence of the external auditor. The external auditors also provide audit services to the pension scheme. It is considered that these additional services do not affect their independence, and in fact aid their understanding of the issues.

Both the internal and external audit services are placed out to tender every five years. The external audit was put out to tender during 2014/5 and the internal auditors were reviewed during this year - after consideration Grant Thornton were appointed.

Disclosure of information to auditors

Each of the Board members (who are also trustees and directors of YMCA England) has confirmed that so far as they are aware, there is no relevant audit information of which the auditors are unaware, and that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Strategic and Trustee reports were approved by the Board of Trustees on 24th September 2016 and signed on its behalf by



Ayub Khan
Vice-Chair

Trustees and Advisors

President: Dr John Sentamu, Archbishop of York
Vice-presidents: Colin Williams (died July 2015)
Professor Clyde Binfield OBE [6]
Rev'd Chris Poulard
Tim Waldron
Val Wallis MBE [5]

Board members

Chairman: Peter Jeffrey [3, 4, and 7]
Vice-Chair: Ayub Khan [1 and 3]
Honorary Treasurer: Nick Mourant [1, 2 and 3]
Members: Malcolm Barham [2] (appointed 3 December 2015)
Graham Bratby [1, 3]
Tim Fallon
Maxine Green
Martin Houghton-Brown
Duncan Ingram [2 and 5]
Paul Laffey
Anne Linsey
David Podger [5]
Edward Weiss

Membership of divisional boards, committees, panels and advisory groups during the year ended March 2016:

- 1 Housing Board (3 Board members plus 3 independent members)
- 2 Retail Board (3 Board members plus 1 independent member)
- 3 Finance and Audit Committee (4 Board members plus 5 independent members)
- 4 Constitution Task Group (Chair of the Board plus 5 independent members)
- 5 Dunford House Management Committee (2 Board members, a Vice-President plus 3 independent members)
- 6 Archives Group (a Vice-President plus 4 independent members)
- 7 Nominations Panel (Chair of the Board plus 4 independent members)

All members of the Board and its committees and groups give their time voluntarily and receive no benefits from YMCA England. Any expenses reclaimed are set out in note 3.6 to the accounts.

Advisors

Auditors:
BDO LLP
55 Baker Street
London W1U 7EU

Bankers:
Barclays Bank plc
Charities Team, Level 27
1 Churchill Place
London E14 5HP

Lloyds Bank plc
4th Floor
25 Gresham Street
London, EC2V 7HN

Solicitors:
Bates, Wells & Braithwaite LLP
10 Queen Street Place, London EC4R 1BE

Trowers & Hamlins LLP
Heron House, Albert Square
Manchester M2 5HD

EDC Lord & Co
Link House, 1200 Uxbridge Road
Hayes UB4 8JD

Senior staff

Chief Executive and National Secretary of the Council of YMCAs in England:

Denise Hatton

Company Secretary:

Paul Smillie

Senior Management Team:

Bims Alalade, Director of Human Resources and Organisational Development
Jo Chettleburgh, Director of Income Generation (from November 2015)
Keith Fletcher, Director of Housing
Laurence James, Director of Retail (to May 2015)
Richard Lock, Director of Finance
Niamh Neville, Director of Fundraising
Paul Smillie, Director of Corporate Services
Jason Stacey, Director of Policy, Research, Communications and International

Registered Office

Up to 18 August 2016:
2nd Floor
29-35 Farringdon Road
London EC1M 3JF

As of 19 August 2016:
3rd Floor
10-11 Charterhouse Square
London EC1M 6EH

Registered charity number: 212810

Independent Auditor's Report

TO THE MEMBERS OF THE NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (INCORPORATED)

We have audited the financial statements of The National Council of Young Men's Christian Associations (Incorporated) ("the Association") for the year ended 31 March 2016 which comprise the Consolidated and Association Statement of Financial Activities, the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Balance Sheets, the Consolidated and Association Statement of Changes in Equity, the Consolidated Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditors

As explained more fully in the statement of board member responsibilities, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England from April 2015.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- a satisfactory system of internal control has not been maintained over transactions; or
- the parent 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.

Philip Cliftlands (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 28 September 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2016

	Note	2016 UNRESTRICTED £'000	2016 RESTRICTED £'000	2016 TOTAL £'000	2015 UNRESTRICTED £'000	2015 RESTRICTED £'000	2015 TOTAL £'000
INCOME FROM							
Donations and legacies	2.1	4,132	402	4,534	2,494	311	2,805
Affiliation fees	2.2	706	-	706	745	-	745
Income from charitable activities	2.3	7,000	900	7,900	6,618	702	7,320
Income from trading activities	2.4	9,970	272	10,242	10,197	292	10,489
Investments, interest and rental income	2.5	49	127	176	62	72	134
Profit (loss) on disposal of fixed assets	2.6	634	17	651	(1,052)	-	(1,052)
TOTAL INCOME		22,491	1,718	24,209	19,064	1,377	20,441
EXPENDITURE FROM							
Costs of raising funds	3.1	754	-	754	935	-	935
Expenditure on charitable activities	3.2	9,162	1,548	10,710	9,128	1,435	10,563
Operating costs of trading activities	3.3	10,079	204	10,283	9,999	168	10,167
TOTAL EXPENDITURE		19,995	1,752	21,747	20,062	1,603	21,665
NET INCOME (EXPENDITURE) FOR THE YEAR		2,496	(34)	2,462	(998)	(226)	(1,224)
Net (losses) gains on investments	7.	-	(49)	(49)	-	182	182
Other recognised gains and losses:							
Impairment of housing assets		-	-	-	(11,540)	-	(11,540)
(Losses) on defined benefit pension schemes		(285)	-	(285)	(4,213)	-	(4,213)
NET MOVEMENT IN FUNDS		2,211	(83)	2,128	(16,751)	(44)	(16,795)
Reconciliation of funds							
Fund balances at 1 April 2015		3,650	2,573	6,223	20,401	2,617	23,018
FUND BALANCES AT 31 MARCH 2016		5,861	2,490	8,351	3,650	2,573	6,223

The statement of financial activities includes all gains and losses recognised in the year.

COMMENTARY:

The reported income figures include the profit on sale of fixed assets and an exceptional legacy of £1.27m, excluding these the income figures are £22.2m for the year ended March 2016 compared to £21.5m for March 2015. The income figures also include grants received for programme work (performed in partnership with the YMCA Federation) which increased by £369k during the year.

Charitable expenditure has been focused on supporting member YMCAs and provision of housing services via management agreements with member YMCAs. This heading also includes payments to member YMCAs (including programmes conducted via member YMCAs) of £1.35m (2015: total £1.28m).

Implementation of the new accounting standards has required changes to the opening balances as at 1 April 2015, principally to show housing assets at their valuation and to show the pension deficit payments on the balance sheet. There was also a pension triennial valuation during the year ended March 2015, hence the large fluctuation to opening balances shown above. A reconciliation to the balances shown in last year's accounts is given in note 15.

Excluding the sale of fixed assets and the exceptional legacy, YMCA England is reporting an operating surplus of £0.6m on general funds for the year (2015: operating surplus £50k).

STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 March 2016

	Note	31 March 2016					31 March 2015				
		Continuing £'000	Discontinued £'000	Non-housing operations £'000	GROUP TOTAL £'000	PARENT £'000	Continuing £'000	Discontinued £'000	Non-housing operations £'000	GROUP TOTAL £'000	PARENT £'000
Income	5.1	6,581	18	16,783	23,382	23,124	6,139	337	14,883	21,359	21,142
Operating Costs	5.1	(6,307)	(3)	(15,247)	(21,557)	(21,299)	(5,834)	(246)	(15,415)	(21,495)	(21,278)
Operating surplus (deficit)		274	15	1,536	1,825	1,825	305	91	(532)	(136)	(136)
Investment income	4.	-	-	53	53	53	-	-	62	62	62
Interest and rents receivable	4.	-	-	123	123	123	-	-	72	72	72
Interest payable	4.	(147)	-	(43)	(190)	(190)	(156)	-	(14)	(170)	(170)
Profit (loss) on sale of assets		-	634	17	651	651	-	(1,129)	77	(1,052)	(1,052)
Net (losses) gains on investment assets		-	-	(49)	(49)	(49)	-	-	182	182	182
Impairment of housing assets		-	-	-	-	-	(11,540)	-	-	(11,540)	(11,540)
SURPLUS (DEFICIT) FOR THE YEAR		127	649	1,637	2,413	2,413	(11,391)	(1,038)	(153)	(12,582)	(12,582)
(Losses) on defined benefit pension schemes					(285)	(285)				(4,213)	(4,213)
TOTAL COMPREHENSIVE INCOME FOR YEAR					2,128	2,128				(16,795)	(16,795)

COMMENTARY:
This page shows the results for YMCA England in the format required by the Companies Act 2006. It also separates the result of housing activities from the result of non-housing activities as required by the Accounting Direction for Registered Providers of Social Housing in England. During the year YMCA England sold one of the housing schemes which is shown within discontinued activities.

BALANCE SHEETS (Company No. 73749)

As at 31 March 2016

	31 March 2016				31 March 2015			
	Unrestricted Funds £'000	Restricted Funds £'000	GROUP TOTAL £'000	PARENT £'000	Unrestricted Funds £'000	Restricted Funds £'000	GROUP TOTAL £'000	PARENT £'000
Note								
FIXED ASSETS								
Tangible Assets:								
Housing assets	6.1	14,379	-	14,379	14,379		15,645	15,645
Other tangible assets	6.2	822	223	1,045	1,045	791	218	1,009
Fixed asset investments	7.	-	1,589	1,589	1,589	-	1,638	1,638
Investments in subsidiaries	8.	-	-	-	2	-	-	2
		15,201	1,812	17,013	17,015		16,436	1,856
							18,292	18,294
CURRENT ASSETS								
Stocks	9.	236	2	238	198	225	2	227
Debtors	10.							198
Due within one year		2,750	22	2,772	2,917	1,627	(5)	1,622
Due after one year		1,193	-	1,193	1,193	1,160	-	1,160
Short-term deposits		2,263	367	2,630	2,630	-	351	351
Cash and cash equivalents		444	472	916	788	1,032	513	1,545
		6,886	863	7,749	7,726		4,044	861
							4,905	5,030
CREDITORS: Amounts falling due within one year								
	11.	(2,841)	(185)	(3,026)	(3,005)			
		4,045	678	4,723	4,721			
							1,351	717
							2,068	2,066
TOTAL ASSETS LESS CURRENT LIABILITIES								
		19,246	2,490	21,736	21,736	17,787	2,573	20,360
CREDITORS: Amounts falling due after one year								
	12.	(4,455)	-	(4,455)	(4,455)	(4,599)	-	(4,599)
Pension scheme obligations	13.1	(8,930)	-	(8,930)	(8,930)	(9,538)	-	(9,538)
		5,861	2,490	8,351	8,351			
							3,650	2,573
							6,223	6,223
The funds of the charity:								
Restricted Funds	14.	-	2,490	2,490	2,490	-	2,573	2,573
Unrestricted Funds:	15.							
- General reserve		5,234	-	5,234	5,234	2,941	-	2,941
- Revaluation of housing assets		10,450	-	10,450	10,450	11,114	-	11,114
- Pension reserve		(9,823)	-	(9,823)	(9,823)	(10,405)	-	(10,405)
		5,861	2,490	8,351	8,351			
							3,650	2,573
							6,223	6,223

The notes on pages 34 to 46 form part of these accounts.

These accounts were approved and authorised for issue by the Board on 24 September 2016.



Ayub Khan
Vice-Chair



Nick Mourant
Treasurer

COMMENTARY:

The housing assets are being offered for sale to the managing agents at existing use valuation less a 45% discount, this discount being reflected in the values shown above. One housing scheme was sold on the open market as this was no longer relevant for YMCA purposes; the proceeds being placed on short-term deposit. Other assets include an investment in scanners at each shop to improve information flows, which have been financed by leases.

Debtors have increased due to the exceptional legacy notified during the year, where cash to be received post yearend.

STATEMENT OF CASHFLOWS

Year ended 31 March 2016

	31 March 2016		31 March 2015	
	Group £'000	Parent £'000	Group £'000	Parent £'000
CASHFLOWS FROM OPERATING ACTIVITIES				
Net income (expenditure) for the year (page 30)	2,462	2,462	(1,224)	(1,224)
Loss (profit) on disposal and remodelling of fixed assets	(651)	(651)	1,052	1,052
Depreciation charge	1,004	1,004	836	836
Return on investments and servicing of finance	84	14	101	36
(Increase) decrease in stocks	(11)	-	14	13
(Increase) in debtors	(1,608)	(1,339)	(965)	(1,164)
Increase (decrease) in creditors and deferred creditors	128	(20)	(133)	(1)
NET CASHFLOW GENERATED FROM OPERATING ACTIVITIES	<u>1,408</u>	<u>1,470</u>	<u>(319)</u>	<u>(452)</u>
CASHFLOWS FROM INVESTING ACTIVITIES				
Trust & Association and Movement Trust Fund investments:				
Proceeds from sale of investments	-	-	899	899
(AIncrease) in funds on short term deposit	(16)	(16)	(183)	(183)
Investment income	53	53	62	62
Interest received	53	123	7	72
	<u>90</u>	<u>160</u>	<u>785</u>	<u>850</u>
On housing assets:				
Additions to Housing properties	(216)	(216)	(262)	(262)
Proceeds from sale of Fixed Assets	2,072	2,072	1,310	1,310
Net cash inflow from housing assets	<u>1,856</u>	<u>1,856</u>	<u>1,048</u>	<u>1,048</u>
On other assets:				
Fixed assets purchased	(571)	(571)	(800)	(800)
Proceeds from sale of Fixed Assets	17	17	88	88
Net cash (outflow) from other assets	<u>(554)</u>	<u>(554)</u>	<u>(712)</u>	<u>(712)</u>
NET CASHFLOW FROM INVESTING ACTIVITIES	<u>1,392</u>	<u>1,462</u>	<u>1,121</u>	<u>1,186</u>
CASHFLOWS FROM FINANCING ACTIVITIES				
New fixed asset loans	172	172	340	340
Repayment of fixed asset loans	(157)	(157)	(43)	(43)
Repayment of housing loans	(124)	(124)	(293)	(293)
Interest paid	(190)	(190)	(170)	(170)
Pension deficit payments	(867)	(867)	(779)	(779)
Funds (placed on) short term deposit	(2,263)	(2,263)	-	-
NET CASHFLOW FROM FINANCING ACTIVITIES	<u>(3,429)</u>	<u>(3,429)</u>	<u>(945)</u>	<u>(945)</u>
(DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash at bank and in hand at 1 April 2015	(629)	(497)	(143)	(211)
Cash at bank and in hand 31 March 2016	<u>916</u>	<u>788</u>	<u>1,545</u>	<u>1,285</u>

COMMENTARY:

The cashflow shows the sale of the housing scheme and the investment of the proceeds on short-term deposits.

ACCOUNTING POLICIES

Year ended 31 March 2016

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards for a public benefit entity. The most important accounting policies are:

1.1 BASIS OF ACCOUNTING

These financial statements are prepared under the historical cost convention, except for the valuation of investments and social housing properties, and comply with the Accounting Direction for Private Registered Providers of Social Housing from April 2015, the Statement of Recommended Practice issued by the National Federation of Housing Associations (the Housing SORP) and "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 Ireland (FRS 102)" issued by the Charity Commission (the Charities SORP (FRS 102)), where this does not conflict with the Housing SORP, the Charities Act 2011 and the Companies Act 2006. These accounts have been prepared on a Going Concern basis.

The implementation of FRS 102 (transition date: 31 March 2014) has required the following changes to the accounting policies. These changes have been applied retrospectively. Further information is provided in note 15.

- Housing assets are now shown at valuation as at 1 April 2014 less depreciation. Social Housing Grant is now shown as a contingent liability and other grants received towards these properties included within income
- Contractual obligations to make pension deficit payments are shown within liabilities (within and after one year as appropriate)
- Donated goods for resale in our charity shops are included at their estimated value

The effect of these changes is disclosed in the relevant notes to the financial statements, and has increased reserves as at March 2015 from £5.5m to £6.2m but has reduced free reserves from £1.35m to £0.2m.

1.2 BASIS OF CONSOLIDATION

The National Council of YMCAs is required to prepare consolidated financial statements on a line-by-line basis including the results of the company's trading subsidiaries - YMCA Retail Limited and Dunford House Limited, and the operations of Dunford Trust, Douglas Wood Charity and the YMCA Trust Fund.

Prior to the gift aid payment from the subsidiaries, the gross income of the parent company was £23.6m (2015: £19.8m) and the net movement in funds reported for the year includes a surplus of £1.8m (2015: a deficit of £17.2m) which is dealt with in the financial statements of the parent company.

1.3 GENERAL

The Statement of Financial Activities records the activities of the National Council of YMCAs and its subsidiaries, both as an affiliating body and of operating projects on a national basis and the balance sheet sets out its assets and liabilities. In addition to its own assets, properties and investments are registered in the name of YMCA England as formal trustee for Associations. These assets are excluded from these financial statements. Restricted funds are raised for specific purposes and may only be used for the specified purpose. The movement on these funds are separated from movements in unrestricted funds on the Statement of Financial Activities and the amount at the balance sheet date is shown in note 14. Where funds are in deficit they are charged against the General Fund.

1.4 DUNFORD HOUSE

This property is held by YMCA England as trustee, and under the terms of the Trust Deed the surpluses from operations can only be applied for specified purposes. As the property is not beneficially owned by the National Council it is not valued for the purpose of inclusion in fixed assets and the operating results are shown as a restricted fund.

1.5 TURNOVER

The total incoming resources represents the amounts receivable exclusive of VAT in respect of operational activities, grants receivable and fundraising activities. All income arose in the United Kingdom. All income from operations, grants and fundraising is recognised in the Statement of Financial Activities when any conditions relating to the income have been satisfied, and any amounts in respect of future periods are carried forward as deferred income. Goods donated for sale in the charity shops are included at their sales value. Gifts received in kind are included in income at their market value with a corresponding charge included within expenditure.

Grants of a revenue nature are credited to the Statement of Comprehensive Income in the period to which they relate.

1.6 LEGACIES

Legacies are recognised within income and debtors when probate is granted unless there are specific conditions preventing receipt, eg a life tenant. At the year end there were 4 legacies subject to life tenants with an estimated value of £51k (2015: 4 legacies with estimated value of £51k) which are held in property and investments.

1.7 CAPITAL EXPENDITURE AND DEPRECIATION

Fixed assets are items costing in excess of £1,000 with a useful life of more than one year and are stated at cost less depreciation. The depreciation charge is calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	- 50 years
Leasehold land and buildings	- Period of the lease
Shop leases and shop fittings	- Period of the lease or five years whichever is less
Computers, equipment and motor vehicles	- 3 years straight line

Estimated provisions are made for significant leasehold property dilapidation liabilities.

1.8 HOUSING PROPERTIES

As permitted by Financial Reporting Standard 102, YMCA England has elected to show the Housing assets at deemed cost. Housing properties will subsequently be measured at cost less depreciation. Financing costs incurred during construction have not been capitalised but are charged to the Statement of Financial Activities when incurred.

Social Housing Grants (SHG) received on assets that are presented at deemed cost at the date of transition have been accounted for using the performance model as required by the Housing SORP 2014. Grants received since the transition date are accounted for using the accrual model as required by the Housing SORP 2014.

In accordance with the Housing SORP depreciation is charged on the full construction costs. The requirement to implement Component Accounting has required YMCA England to determine the main components of the housing properties and their useful lives:

Physical structure - 50 years

Internal doors- 30 years

Windows- 25 years

Public realm- 20 years

Entrance security, Plumbing and heating, Kitchens and bathrooms - 15 years

Land is not depreciated but is reviewed for impairment. An impairment provision is made when the carrying value is less than the existing use for social housing value (EUV-SH).

ACCOUNTING POLICIES

Year ended 31 March 2016

1.9 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Goods donated for sale in the charity shops are included at their fair value.

1.10 RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis. Direct expenses are allocated to the department incurring the expenditure. Expenditure is stated inclusive of irrecoverable VAT. During the year ended 31 March 2016 YMCA England incurred VAT of £114,901 (2015: £122,831) which it was unable to recover.

Costs of generating funds includes all fundraising departments and operating costs for the trading subsidiaries.

Charitable activities comprises expenses attributable to the operating departments as detailed in note 3.2. Central services are allocated to activities/departments based on the estimated usage of the services on the following basis:

Function	Allocation basis
Office Services	Average number of employees
Central overheads	Average number of employees
Personnel and payroll	Average number of employees
Finance	Non-staff expenditure
IT	Number of PCs

1.11 INVESTMENTS

FRS102 provides that investments should be shown as fixed assets at their market value. To comply with FRS102 investment gains and losses have to be shown on the face of the Statement of Comprehensive Income.

Investments in subsidiary companies are stated at cost less accumulated impairment.

Investment income is accounted for on a receivable basis.

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

1.13 PENSIONS

YMCA England 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 England.

As described in note 13 YMCA England has a contractual obligation to make pension deficit payments of £893k pa over the period to April 2027, accordingly this is shown as a liability in these accounts. In addition, YMCA England is required to contribute £145k pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

As described in note 13 a defined contribution scheme has been set up which all staff are eligible to join.

1.14 LIABILITIES

Liabilities are recognised when YMCA England has an absolute obligation to make payment to a third party.

1.15 CASH AT BANK AND IN HAND

This includes amounts held on accounts with access within thirty days. Amounts held on longer term notice are shown as short-term deposits.

Liquid resources for the purposes of the cashflow statement comprise bank and cash balances.

1.16 FOREIGN CURRENCIES

Items paid in foreign currencies are translated at the exchange rate incurred for that transaction. During the previous year, due to the favourable exchange rate, £35k of Swiss Francs were purchased for expenditure due in 2015/16 and as at March 2016 there was £25k of Euros held pending expenditure in 2016/17. These are shown within bank balances at their original cost, the adjustment for current exchange rate being immaterial.

1.17 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES 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 assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. As the housing schemes are being offered to the local YMCAs at a discounted price this value has been used to calculate the impairment.

- Depreciation of tangible assets is based on their estimated useful lives. For housing assets the values are allocated between their major components as detailed in note 1.8.

- The critical underlying assumptions in relation to the estimate of the pension plan obligations such as return on assets, increases in pensions in payment and mortality. Variations in these assumptions have the ability to significantly influence the value of the pension liability and the annual contributions required.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

ANALYSIS OF TOTAL INCOME

	Grants and Contracts for services £'000	Other Income £'000	TOTAL 2016 £'000	TOTAL 2015 £'000
2.1 DONATIONS AND LEGACIES				
Individuals	-	1,760	1,760	2,119
Legacies	-	2,699	2,699	382
Corporate and Trusts	-	75	75	304
	-	4,534	4,534	2,805
2.2 AFFILIATION FEES				
	-	706	706	745
2.3 INCOME FROM CHARITABLE ACTIVITIES				
Housing Management	-	6,524	6,524	6,377
Movement Services	-	29	29	63
Programme Development	916	26	942	559
Communications, Policy & Research	35	116	151	60
Legal Support and Trust & Association Funds	-	41	41	81
International	-	28	28	37
Dunford House	-	45	45	45
Central Services	-	140	140	98
	951	6,949	7,900	7,320
2.4 INCOME FROM TRADING ACTIVITIES				
Income generated by charity shops	-	9,668	9,668	9,872
Trading companies (note 8)	-	574	574	617
	-	10,242	10,242	10,489
2.5 INVESTMENTS, INTEREST AND RENTAL INCOME				
Investment income	-	53	53	62
Interest receivable	-	52	52	6
Rental Income	-	71	71	66
	-	176	176	134
2.6 PROFIT ON SALE OF FIXED ASSETS				
Profit on sale of Redditch housing scheme	-	634	634	-
Profit on sale of Dunford antiques	-	17	17	-
Profit on sale of Primrose Cottage	-	-	-	77
(Loss) on sale of Thames Gateway housing scheme	-	-	-	(1,129)
	-	651	651	(1,052)
TOTAL INCOME	951	23,258	24,209	20,441

The figures shown above for 'Grants and contracts for services' include amounts raised by fundraising staff for specific purposes.

YMCA England benefits greatly from the involvement of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in these accounts.

The above income includes the following income from Government sources:

	£'000	£'000	£'000	£'000
Grants and contracts for services	257	-	257	105
Gift aid receivable	-	754	754	663
	257	754	1,011	768

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs (Note 3.5)	Other Costs	Grants payable	Support Costs	TOTAL 2016	TOTAL 2015 (as restated)
	£'000	£'000	£'000	£'000	£'000	£'000
3.1 COSTS OF RAISING FUNDS						
Individuals	179	317	-	125	621	756
Legacies	-	14	-	25	39	64
Corporate and Trusts	34	10	-	50	94	115
	213	341	-	200	754	935
3.2 CHARITABLE ACTIVITIES						
Housing Management	321	6,128	-	119	6,568	6,279
Housing scheme remodelling	-	26	-	-	26	11
Movement Services	168	137	-	172	477	458
Funding support	82	24	-	50	156	201
Programme Development	73	197	654	55	979	879
Communications, Policy & Research	346	216	-	290	852	922
Legal Support and Trust & Association Funds	54	61	(18)	16	113	214
Payments to YMCAs	-	-	719	-	719	780
International Work	56	211	-	16	283	290
Dunford House	156	110	-	8	274	300
Defined benefit pension scheme operating expenditure	109	-	-	-	109	130
Central Services (note 3.4)	818	989	-	(1,653)	154	98
	2,183	8,099	1,355	(927)	10,710	10,563
3.3 OPERATING COSTS OF TRADING ACTIVITIES						
Operating costs of charity shops	4,230	5,077	-	718	10,025	9,950
Trading companies (note 8)	-	249	-	9	258	217
	4,230	5,326	-	727	10,283	10,167
TOTAL EXPENDITURE						
	6,626	13,766	1,355	-	21,747	21,665

The grants payable are made to local YMCAs.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

3.4 Central Services

In accordance with the Charities SORP, central service costs less the associated income (as shown in note 2.5) are allocated across activities on the following basis:

	Basis of allocation	Fundraising Activities £'000	Housing Services £'000	Influencing Activities £'000	Guardianship Activities £'000	Business Development £'000	Movement Strengthening £'000	Retail activities £'000	TOTAL 2016 £'000	TOTAL 2015 £'000
Office Services	London staff numbers	138	-	61	104	23	-	107	433	474
Central Overheads	Estimated time	14	27	27	45	14	138	28	293	303
Personnel and payroll	Average number of employees	19	17	9	14	3	19	200	281	348
Finance	Estimated time	43	43	32	32	11	11	266	438	402
IT	Number of PCs	36	32	16	16	4	4	100	208	182
TOTAL 2016		250	119	145	211	55	172	701	1,653	
TOTAL 2015		277	135	156	173	48	205	715		1,709

In accordance with the Charities SORP (FRS 102) governance costs are now shown as a support cost. Previously these have been shown as a separate category of resources expended.

3.5 EMPLOYEE COSTS (including subsidiaries)

	TOTAL 2016 £'000	TOTAL 2015 £'000
Staff costs comprise:		
Wages & salaries	5,945	6,245
Social security costs	422	442
Employer's contribution towards pension scheme operating expenditure	127	130
Other pension costs	132	139
	6,626	6,956

The average number of employees during the year, including part time and seasonal staff, analysed by function was:

	Average Number	Full-time Equivalent	Average Number	Full-time Equivalent
UK - charitable activities	26	21	29	29
UK - trading activities	1	1	1	1
UK - fundraising	9	8	10	10
UK - charity shops	323	263	334	266
UK - other activities	23	21	24	23
TOTAL	382	314	398	329

The number of employees whose emoluments (excluding employer pension contributions) exceeded £60,000 per annum during the year was as follows:

	Number	Number
£60,001 to £70,000	1	2
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
	3	4

All staff are eligible to join the defined contribution pension scheme.

Provision has been made for total redundancy costs of £155,275 in respect of staff members at risk during 2015/6.

The following information is given in respect of those employees defined as "directors" by the Accounting Direction for Private Registered Providers of Social Housing from April 2015.

	2016 Number £'000	2015 Number £'000
Aggregate remuneration (excluding pension contributions)	486	489
Pension contributions	53	56
Aggregate remuneration (including pension contributions)	10 539	8 545

During the year ended March 2016 three members of the Senior Management Team served for less than a full year and were paid less than £60k (March 2015: one).

Highest paid (excluding pension contributions)	82	84
Pension contributions	5	5
Highest paid (including pension contributions)	87	89

The Chief Executive is an ordinary member of the YMCA Group Personal Pension Plan.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

3.6 EXPENSES

During the year 11 members of the Board were reimbursed £3,083 (2015: 12 members reimbursed £5,838) in respect of their travel expenses in performance of their duties but received no remuneration for their services during the year (2015: £nil).

Members of the Senior Management Team were reimbursed for the following items of expenditure:

	2016 £'000	2015 £'000
Travel costs	20	27
Subsistence	7	12
Others	13	3
	<u>40</u>	<u>42</u>

4. NET EXPENDITURE FOR THE YEAR

The reported net expenditure for the year is after charging:

	2016 £'000	2015 £'000
Operating lease rentals payable:		
Property rentals	1,519	1,539
Motor vehicles	125	111
Equipment	15	13
	<u>1,659</u>	<u>1,663</u>
Interest Payable:		
Finance leases	43	14
Bank loans	147	156
	<u>190</u>	<u>170</u>
Auditors remuneration:		
- Audit services	38	35
- non audit services (taxation)	3	2
Total (parent company £36,350 (2015: £33,500))	<u>41</u>	<u>37</u>
and after crediting:		
Income from UK listed investments	53	62
Rental income:		
- External	1	1
- From Trading companies	70	65
Interest receivable	52	6
	<u>123</u>	<u>72</u>

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

5. REGISTERED SOCIAL LANDLORD ACTIVITIES

5.1 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	31 March 2016 Operating	31 March 2015 Operating				
	Turnover £'000	costs £'000	surplus £'000	Turnover £'000	costs £'000	surplus £'000
Social housing lettings (note 5.2)	6,486	(5,669)	817	6,453	(5,444)	1,009
Other social housing activities:						
Admin	113	(641)	(528)	23	(636)	(613)
	<u>6,599</u>	<u>(6,310)</u>	<u>289</u>	<u>6,476</u>	<u>(6,080)</u>	<u>396</u>

5.2 PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL HOUSING LETTINGS

During the year YMCA England had no units (2015: 35 units) of housing accommodation and 808 units (2015: 861 units) of supported housing accommodation using management agents.

	31 March 2016	31 March 2015 (as restated)
	General Needs Housing £'000	Supported Housing Total £'000
Income		
Rent receivable	18	3,109
Service charge income	-	3,359
NET RENTAL INCOME	<u>18</u>	<u>6,468</u>
Expenditure		
Management	3	1,384
Service charge costs	-	3,128
Routine maintenance	-	594
Major repairs expenditure	-	-
Rent losses from bad debts	-	72
Depreciation of housing properties	-	488
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	<u>3</u>	<u>5,666</u>
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	<u>15</u>	<u>802</u>
Rent losses from voids were £223k (2015: £228k). Capitalised repair costs were £216k (2015: £262k).		<u>817</u>

5.3 HOUSING BALANCE SHEET

As a Registered Social Landlord, YMCA England is required to present a balance sheet separating the assets and liabilities of the housing

	2016	2015 (as restated)
	Note	£'000
FIXED ASSETS		
Housing properties:		
At cost	6.1	15,339
Less Depreciation	6.1	(960)
		<u>14,379</u>
Other fixed assets		
At cost		97
Less Depreciation		(74)
		<u>23</u>
CURRENT ASSETS		
Debtors and prepayments		103
Loans to YMCAs (due after one year)		1,193
Short-term deposits		2,263
Cash at bank and in hand		37
		<u>3,596</u>
CREDITORS: Amounts falling due within one year		(631)
NET CURRENT ASSETS		<u>2,965</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,367</u>
CREDITORS: Amounts falling due after one year		(4,295)
		<u>13,072</u>
Represented by:		
Unrestricted Funds		8,801
Revaluation reserve		4,199
Restricted donations:		
- Birchwood YMCA	14.	72
		<u>13,072</u>
		<u>85</u>
		<u>12,292</u>

5.4 The housing schemes are operated by Associations as management agents for YMCA England. The gross income and expenditure are included in note 5.1 and 5.2 with amounts due (to)/from Associations at the year end date included within creditors/debtors as appropriate. At the year end there were rent arrears of £464,996 (2015: £480,179), as these are under the control of the management agents they are not included in the above figures. Bad debts are written off as they occur.

5.5 Other creditors include £172,343 (2015: £172,343) Social Housing Grant to be recycled.

5.6 Seven of the housing schemes are used as security for the housing loans (note 12).

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

6.1 HOUSING FIXED ASSETS: Assets for charitable use

	Land & Buildings		TOTAL
	Freehold £'000	Leasehold £'000	£'000
Deemed Cost:			
At 1 April 2015	8,612	7,540	16,152
Additions	115	101	216
Disposals on sale of properties	(1,017)	(12)	(1,029)
At 31 March 2016	<u>7,710</u>	<u>7,629</u>	<u>15,339</u>
Depreciation:			
At 1 April 2015	270	237	507
Charge for the year	246	241	487
Disposals on sale of properties	(33)	(1)	(34)
At 31 March 2016	<u>483</u>	<u>477</u>	<u>960</u>
NET COST:			
31 March 2016	<u>7,227</u>	<u>7,152</u>	<u>14,379</u>
31 March 2015	<u>8,342</u>	<u>7,303</u>	<u>15,645</u>

As part of the transitional arrangements for implementing the Housing SORP 2014, the housing assets are held at deemed cost on transition and subsequently at cost less depreciation.

As these 23 properties are being offered for sale to the managing agents at a 45% reduction on valuation, the above values at March 2015 are shown net of this £11.5m reduction. No provision is required for any further impairment.

All leasehold properties are held on long leases. The net book value of freehold land and buildings includes land at cost of £608,960 (2015: £2,613,864) which is not depreciated.

YMCA England has received Social Housing Grants totalling £30,914,000 for the construction of the housing properties. No Social Housing Grants were received during the year. In the event of a housing property ceasing to be used for social housing purposes, the grant will become repayable in a lump sum. At the balance sheet date grant of £172,343 was awaiting recycling.

There were no contracted capital commitments at either yearend.

6.2 OTHER TANGIBLE FIXED ASSETS

	Land & Buildings		Equipment & Vehicles	TOTAL
	Freehold £'000	Short Leasehold £'000	£'000	£'000
Cost:				
At 1 April 2015	214	356	1,375	1,945
Additions	-	48	523	571
Disposals	-	(10)	(127)	(137)
At 31 March 2016	<u>214</u>	<u>394</u>	<u>1,771</u>	<u>2,379</u>
Depreciation:				
At 1 April 2015	51	267	618	936
Charge for the year	5	56	456	517
Disposals	-	(10)	(109)	(119)
At 31 March 2016	<u>56</u>	<u>313</u>	<u>965</u>	<u>1,334</u>
NET BOOK VALUE:				
31 March 2016	<u>158</u>	<u>81</u>	<u>806</u>	<u>1,045</u>
31 March 2015	<u>163</u>	<u>89</u>	<u>757</u>	<u>1,009</u>
The above analysis includes items held on leases:				
31 March 2016	-	81	336	417
31 March 2015	-	89	312	401

The net book value at 31 March 2016 represents fixed assets used for:

Charitable Activities	158	-	65	223
Management & administration	-	18	67	85
Trading Operations	-	63	674	737
	<u>158</u>	<u>81</u>	<u>806</u>	<u>1,045</u>

The net book value of freehold land and buildings includes land at cost of £479 (2015: £479) which is not depreciated.

6.3 The majority of properties operated by the YMCA Movement throughout the country are owned by autonomous member YMCAs. Where the YMCA is unable to hold the title deeds itself these are held by the National Council as trustee for the YMCA. As these are not the equitable property of the National Council they are omitted from the above totals.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

7. INVESTMENTS

The fixed asset funds comprise:

- Trust & Association Funds represented mainly by funds from defunct member YMCAs. Income is either remitted to a specific activity or accumulated;
- The Movement Trust Fund is established under the trusteeship of the National Council of YMCAs, with the purpose of assisting member YMCAs with grants and loans.

	Cost £'000	Market value £'000
Value at 1 April 2015	1,086	1,638
Unrealised (losses) during the year	-	(49)
Value at 31 March 2016	<u>1,086</u>	<u>1,589</u>

The fixed asset investments comprise investments in the following unit trusts:

	March 2016 £'000	March 2015 £'000
Blackrock Common Investment Fund	437	465
Schroder Institutional Overseas Equities	549	558
M&G Charifund	382	409
COIF Charity Funds - Property	201	189
Cash funds	20	17
	<u>1,589</u>	<u>1,638</u>

8. INVESTMENT IN SUBSIDIARIES

During the year, the company had two trading subsidiaries, both of which are registered in England & Wales:

Name:	Company number	Nature of business:	Type of Share:	Holding:
YMCA Retail Limited	2232462	Sales of new goods and merchandise	Ordinary	100%
Dunford House Limited	2598139	Conference services	Ordinary	100%

All profits are Gift Aided to YMCA England and are included in these accounts.

A summary of their trading results is shown below:

	YMCA Retail Limited £'000	Dunford House Limited £'000	31 March 2016 TOTAL £'000	31 March 2015 TOTAL £'000
Turnover	302	272	574	617
Cost of sales	(43)	(76)	(119)	(99)
GROSS PROFIT	259	196	455	518
Administration costs	(2)	(128)	(130)	(118)
NET PROFIT	257	68	325	400
Amount Gift Aided to YMCA England	(257)	(68)	(325)	(400)
Retained in subsidiary	-	-	-	-
Total Shareholders' Funds	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>

During the year the charity had the following transactions with its subsidiary trading companies:

	£'000	£'000
Reimbursement of items paid	112	87
Use of charity assets	70	66
Management services provided	8	8
Gift aid of profits	325	400
	<u>515</u>	<u>561</u>

	31 March 2016 GROUP £'000	31 March 2015 PARENT £'000	31 March 2015 GROUP £'000	31 March 2015 PARENT £'000
Purchased goods for resale	40	-	29	-
Donated goods for resale	161	161	163	163
Consumables	37	37	35	35
	<u>238</u>	<u>198</u>	<u>227</u>	<u>198</u>

9. STOCKS

Purchased goods for resale	40	-	29	-
Donated goods for resale	161	161	163	163
Consumables	37	37	35	35
	<u>238</u>	<u>198</u>	<u>227</u>	<u>198</u>

10. DEBTORS

Other debtors	2,277	2,208	915	844

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NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2016		31 March 2015	
	GROUP £'000	PARENT £'000	GROUP £'000	PARENT £'000
Housing loans due within one year (note 12.1)	163	163	160	160
Finance lease obligations due within one year (note 12.2)	152	152	120	120
Pension scheme obligations due within one year (note 13.1)	893	893	867	867
Taxes & Social Security Costs	111	99	119	100
Other Creditors	714	712	876	858
Recycled social housing grant (note 11.1)	172	172	172	172
Due to Group Undertakings	-	10	-	186
Accruals and deferred income	821	804	523	501
	3,026	3,005	2,837	2,964

Deferred income consists of deposits for future events.

	£'000	£'000
11.1 Recycled social housing grant	<u>172</u>	<u>172</u>

This amount is over 3 years old and repayment to the Homes and Communities Agency may be required. Discussions are ongoing about transferring to another YMCA.

	GROUP £'000	PARENT £'000	GROUP £'000	PARENT £'000
Bank loans (note 12.1)	4,295	4,295	4,422	4,422
Finance leases (note 12.2)	160	160	177	177

	Repayable	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	TOTAL 2016 £'000	TOTAL 2015 £'000
Housing loan - Fixed rates	114	118	386	2,657		3,275	3,370
Housing loan - Variable rate	49	50	152	832		1,083	1,112
Housing loan - Interest free	-	-	-	100		100	100
As at 31 March 2016	163	168	538	3,589		4,458	
As at 31 March 2015	160	164	525	3,733		4,582	

The amounts falling due within one year are shown in note 11.

The Housing loans are secured on six of the housing properties shown in note 6.1, with a floating charge over current assets.

During the year ended March 2011, £2.5m was placed onto a 10 year fixed rate at 4.28% and subsequently a further £1.25m was fixed for 10 years at a rate of 3.61%.

	Repayable	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	TOTAL 2016 £'000	TOTAL 2015 £'000
YMCA Shops							
As at 31 March 2016	152	89	71	-		312	
As at 31 March 2015	120	120	57	-		297	

13. PENSION COMMITMENT

13.1 YMCA England 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 England and at the yearend these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2014. 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 5.35% and 3.85% respectively, the increase in pensions in payment of 3.3%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.6 years, female 24.6 years, and 24.8 years for a male pensioner, female 26.9 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £90.8m. This represented 70% 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 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. YMCA England has been advised that it will need to make monthly contributions of £86,521 from 1 May 2016. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 12 years commencing 1 May 2015.

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

	Repayable	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	TOTAL 2016 £'000	TOTAL 2015 £'000
As at 31 March 2016	893	893	3,572	4,465	8,930	9,823	
As at 31 March 2015	867	867	3,468	5,203	9,538	10,405	

13.2 YMCA England has opened a defined contribution group personal pension plan for employees. YMCA England is making employer contributions of 6% of pensionable earnings provided that employees make a contribution of at least 3%.

YMCA England has also opened an auto-enrolment pension scheme for those employees who do not want to join the main scheme which has employer contributions of 1% of pensionable earnings provided that employees also make a contribution of 1%. The employer contributions will increase to 2% from October 2017 and 3% from October 2018.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

14. RESTRICTED FUNDS

The income and expenditure of the National Council include items relating to restricted funds comprising the following unexpended balances of donations and trusts held which can only be applied for specified purposes.

	Balance at 1 April 2015 £'000	Incoming Resources £'000	Movement in funds: Investment gains (losses) £'000	Expenditure £'000	Transfers £'000	Balance at 31 March 2016 £'000
Restricted income funds:						
Amounts raised for local YMCAs	39	402	-	(404)	-	37
Brand implementation	15	-	-	(14)	-	1
Amounts raised for YMCA England activities:						
- Programme Development	18	-	-	-	-	(3)
- Inclusive Sport	15	311	-	(290)	-	36
- Better Futures	10	101	-	(90)	-	21
- Community Games	10	-	-	(10)	-	-
- Young Health Champions	7	-	-	-	-	7
- Risk training	6	-	-	-	-	6
- National Arboretum Memorial	1	-	-	-	-	1
- Mental Health Champions	-	257	-	(257)	-	-
- Satellite clubs	-	100	-	(98)	-	2
- Diabetes prevention	-	63	-	(44)	-	19
- Get Set for Community Action	-	24	-	(24)	-	-
Movement Trust Fund	814	24	(23)	(6)	-	809
Hartwoodside Award	29	1	(1)	4	-	33
Douglas Wood Charity	915	27	(26)	19	-	935
Other Trust & Association Funds	97	2	(2)	(39)	3	61
Birchwood YMCA	85	-	-	(13)	-	72
NW Region Trust Fund	82	2	-	-	-	84
Dunford House	430	404	3	(486)	-	351
Total Restricted Funds	2,573	1,718	(49)	(1,752)	-	2,490

YMCA England raises funds on behalf of member YMCAs and for YMCA England activities which can only be used for that specific purpose. During the year amounts were raised for Inclusive Sport, Better Futures, Mental Health Champions, Satellite Clubs, Diabetes Project and Get Set for Community Action.

The Movement Trust Fund is established under the trusteeship of the National Council of YMCAs, with the purpose of assisting member YMCAs with grants and loans. This committee also administers the Hartwoodside Award (which makes annual bursaries to young people in need, particularly disabled persons) and the Douglas Wood charity (which makes grants for the promotion of the education and training of young men in the science and practise on farming, horticulture or any similar profession or trade).

The Trust & Association Funds represent mainly funds from defunct Associations. Income is either remitted to a specific activity or accumulated. The funds from Birchwood YMCA are used to pay its ongoing pension deficit. The North West Region Trust Fund is administered on behalf of this regional trust fund.

The amount for Dunford House is the accumulated profits from the conference centre.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

15. UNRESTRICTED FUNDS

The transition to FRS102 and the new Charity SORP has required changes to previous accounting policies to show housing assets at their March 2014 valuation; to show Social Housing Grants and other Housing capital grants as income for the year in which received; to value goods donated for sale in the charity shops and to recognise the contractually agreed pension deficit contributions arising in respect of previous service.

The impact of these changes is as follows:

	Group and parent £'000	Group and parent £'000
Unrestricted reserves at 1 April 2014 under previous UK GAAP		3,154
Adjustments:		
- Social housing grants to be included as income		33,255
- Other housing grants to be included as income		7,389
- Revaluation of housing assets to existing use value (social housing)		(16,625)
- Donated goods for resale		186
- Provision for pension deficit payments		(6,958)
Restated unrestricted reserves at 1 April 2014 under FRS102		20,401
Restated surplus for the year ended March 2015 (Deficit) for the year under previous UK GAAP		(201)
Adjustments:		
- Impairment of housing assets	(11,540)	
- Gains (losses) on defined benefit pension schemes	(4,213)	
- Revised deficit on sale of Thames Gateway Scheme	(1,138)	
- Pension deficit payments made in the year	766	
- Additional housing depreciation	(227)	
- Retail prepayments	(175)	
- Reduction in retail goods for resale	(23)	
Restated (deficit) for the year ended March 2015 under FRS102		(16,751)
Restated unrestricted reserves at 31 March 2015 under FRS102		3,650

The balance sheet shows how the unrestricted reserves are held. Some of these reserves are held in the form of long-term loans or tied up in fixed assets and therefore not directly available to support other activities, the remainder of the reserves are available to support the activities of YMCA England and are described as 'free reserves'.

	31 March 2016 £'000	31 March 2015 £'000
Unrestricted net current assets	4,045	1,351
Less allocated to the following purposes:		
Long-term loan to association	(1,193)	(1,160)
'FREE RESERVES'	2,852	191

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund Balances at 31 March 2016 are represented by:

	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL FUNDS £'000
Tangible Fixed Assets:			
Housing assets	14,379	-	14,379
Other fixed assets	822	1,812	2,634
Total fixed assets			17,013
Net Current Assets	4,045	678	4,723
Long Term Liabilities	(13,385)	-	(13,385)
	5,861	2,490	8,351

17. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL FUNDS £'000
Net movement in funds for the year (page 30)	2,211	(83)	2,128
Net increase in fixed assets	1,235	44	1,279
Net movement in funds available for future activities	3,446	(39)	3,407

18. LEASING COMMITMENTS

At the balance sheet date, YMCA England had the following total commitments under operating leases:

	31 March 2016	31 March 2015
	Property leases £'000	Plant & machinery £'000
	Property leases £'000	Plant & machinery £'000
Expiring:		
Within 12 months	1,431	125
1 to 2 years	1,034	74
2 to 5 years	1,184	61
After 5 years	97	-
	3,746	260
	3,742	262

Post balance sheet event:

Following the year end, YMCA England signed a lease for new London offices at Charterhouse Square at a total cost up to the earliest break date of June 2022 of £1.85m.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2016

19. GRANTS RECEIVED

Grants received during the year include

- £310,706 from Sport England towards a three year Inclusive Sport project to create 19 sports clubs for disabled young people in 7 YMCAs across the country.
- £257,219 from the Department of Health towards the three-year Young Health Champions project which aims to encourage young people to access relevant services to lead healthier lifestyles, and also to educate public services deliverers and commissioners to ensure that the needs of young people are met.
- £100,700 from the Clothworkers' Foundation towards the three-year Better Futures Street work project which is targeting young people at risk of involvement in gangs in three of the most deprived areas in the country.
- £99,935 from Sport England towards the Satellite Clubs project.
- £62,692 from Big Lottery towards the diabetes prevention project.

In addition YMCA England has also raised £75,000 from Unilever and £10,000 from Superdrug to support our Body Confidence campaign.

All these projects are run in conjunction with member YMCAs.

20. CONTINGENT LIABILITIES

As in prior years YMCA England has full repairing interests in properties occupied by member YMCAs and in some of the premises occupied by its shops. There are potential contingent liabilities arising from these interests, but the time and cost to ascertain the potential liability is disproportionate to the benefits gained.

21. TRANSACTIONS WITH TRUSTEES

Several Board members are connected with local YMCAs that affiliate to YMCA England on the normal terms. In addition several Board members are connected with local YMCAs negotiating to purchase the housing schemes. These sales will be made at valuation and the Board members are not involved with the decision.

Maxine Green is the Chief Executive of YMCA George Williams College which received £30,000 to provide support for the Leadership Development Project and is tendering for other projects. In addition, Denise Hatton (CEO of YMCA England) is a member of the Board of George Williams College. These transactions are on normal commercial terms and Ms Green and Ms Hatton are not involved in the decisions to award the contract to the College.

Ms Anne Linsey serves as a director on the YMCA Pension and Assurance Plan which oversees the operation of the YMCA Pension Plan to which YMCA England makes the pension deficit contributions. The Pension Plan operates from the offices of YMCA England which received payments of £113,304 inc VAT (2015: £91,670 inc VAT) for staff time and support services provided.

Donations were received from the following Board members on normal terms - Mr D Ingram £144, Mr E Weiss £420

Transactions with group undertakings are shown in note 8. There were no other transactions with related parties.



YMCA England National Council of Young Men's Christian Associations (Incorporated)
Registered Charity No: 212810, Registered Company No. 73749, Homes and Communities Agency No. LH2204



YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.