

BLACKBURN YMCA

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Company Registration No. 5194135 (England and Wales)

Charity Registration No. 1106198

BLACKBURN YMCA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A Drake Mr D Hall-Davies K McGinty M R Mulloy Mr J Cronin Mr S P Osborne	(Appointed 18 February 2020)
Charity number	1106198	
Company number	5194135	
Registered office	5 Wellington Street St Johns Blackburn Lancashire BB1 8AF	
Auditor	Champion Accountants LLP Unit 2 Olympic Court Whitehills Business Park Blackpool Lancashire FY4 5GU	

BLACKBURN YMCA

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BLACKBURN YMCA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 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 Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are to help young people, particularly at the time of need, regardless of gender, race, ability or faith. The policies adopted in furtherance of these objects arise from the acceptance of the "Basis of Union" adapted by the British Young Men's Christian Association in 1973, that is to say:

"The YMCA seeks to unite those unto, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be his disciples in their faith and in their life, and to associate the efforts for the extension of his Kingdom."

Accordingly the objectives of the charity are:

- i) To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be his disciples in their faith and in their life, and to associate their efforts for the extension of his Kingdom.
- ii) To lead young people to the Lord Jesus Christ and to fullness of life in him.
- iii) To provide or assist in the provision in the interest of social welfare of facilities for recreation and other leisure time occupation for men, women and children with the object of improving their conditions of life.
- iv) To provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities.
- v) To relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances.
- vi) To provide residential accommodation or social housing for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Trustees were pleased to see the key work of the charity successfully delivered throughout 2019/20, both in terms of its work with Asylum Seekers via the New Beginnings programme and the work with single people and families in housing via its supported housing operation. This year saw the first full year of consolidated operations following the purchase of six housing property assets from YMCA England & Wales in 2018. As planned, we completed the transfer of another YMCA England & Wales property and purchased another YMCA's existing building with plans to develop a new build housing scheme on the same site in 2021/22.

Looking ahead, we plan to continue to offer the option to other YMCAs that operate housing on a similar scale. The Board is confident that it continues to have the skills and experience required to oversee this work, and we continue to have the support and expertise of Fylde Coast and other partners and the right level of resources in place to make these plans a reality.

BLACKBURN YMCA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial review

The results for the year show a surplus on activities before revaluation of investment properties of £107,132 (2019: £132,896). Investment properties were revalued by £627,000 having been purchased at a discount. Total funds carried forward to next year are £2,816,826, comprising restricted funds of £22,292 and unrestricted funds of £2,794,534. Included within unrestricted funds is a designated fund for major property repairs of £281,606.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The trustees will reconsider this policy in the current year in the light of developments detailed above.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A Drake	
S Hackett	(Resigned 10 June 2020)
Mr D Hall-Davies	
Mr R Marsh	(Resigned 18 February 2020)
K McGinty	
M R Mulloy	
Mr J I Sadler	(Resigned 28 August 2020)
C J Seddon	(Resigned 28 August 2020)
Mr J Cronin	
Mr S P Osborne	(Appointed 18 February 2020)

All new Trustees undergo an appropriate induction programme.

None of the trustees has any beneficial interest in the company.

The Board receives support from Fylde Coast YMCA in respect of accounting and other functions.

BLACKBURN YMCA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Statement of trustees' responsibilities

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

Auditor

Champion Accountants LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr J Cronin

Trustee

Dated: 23 March 2021

BLACKBURN YMCA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BLACKBURN YMCA

Opinion

We have audited the financial statements of Blackburn YMCA (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

BLACKBURN YMCA

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BLACKBURN YMCA

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

BLACKBURN YMCA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BLACKBURN YMCA

Use of our report

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

D L Thorn

Deborah Thorn FCA (Senior Statutory Auditor)
for and on behalf of Champion Accountants LLP

Chartered Accountants
Statutory Auditor

23 March 2021
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Unit 2 Olympic Court
Whitehills Business Park
Blackpool
Lancashire
FY4 5GU

BLACKBURN YMCA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total as restated 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	-	350	350	-	-	-
Charitable activities	4	-	33,740	33,740	-	43,787	43,787
Investments	5	400,875	-	400,875	381,202	-	381,202
Other income	6	727	-	727	25,695	-	25,695
Total income		401,602	34,090	435,692	406,897	43,787	450,684
<u>Expenditure on:</u>							
Charitable activities	7	208,072	33,538	241,610	208,453	35,901	244,354
Other	12	86,950	-	86,950	73,434	-	73,434
Total resources expended		295,022	33,538	328,560	281,887	35,901	317,788
Net gains/(losses) on investments	11	627,000	-	627,000	1,784,293	-	1,784,293
Net income for the year/ Net incoming resources		733,580	552	734,132	1,909,303	7,886	1,917,189
Other recognised gains and losses							
Actuarial (loss)/gain on defined benefit pension schemes		(947)	-	(947)	2,622	-	2,622
Net movement in funds		732,633	552	733,185	1,911,925	7,886	1,919,811
Fund balances at 1 April 2019		2,061,901	21,740	2,083,641	149,976	13,855	163,831
Fund balances at 31 March 2020		2,794,534	22,292	2,816,826	2,061,901	21,741	2,083,642

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

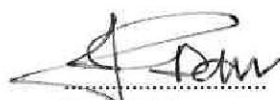
BLACKBURN YMCA

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	225,557		5,173	
Investment properties	14	6,537,209		4,110,209	
		<u>6,762,766</u>		<u>4,115,382</u>	
Current assets					
Debtors	15	951		14,703	
Cash at bank and in hand		144,107		135,178	
		<u>145,058</u>		<u>149,881</u>	
Creditors: amounts falling due within one year	17	(1,023,397)		(86,580)	
Net current (liabilities)/assets			(878,339)		63,301
Total assets less current liabilities			<u>5,884,427</u>		<u>4,178,683</u>
Creditors: amounts falling due after more than one year	18		(3,057,075)		(2,083,662)
Provisions for liabilities	19		(10,526)		(11,379)
Net assets			<u>2,816,826</u>		<u>2,083,642</u>
Income funds					
Restricted funds	21	22,292		21,741	
<u>Unrestricted funds</u>					
Designated funds	22	281,606		26,170	
General unrestricted funds		2,512,928		2,035,731	
		<u>2,794,534</u>		<u>2,061,901</u>	
		<u>2,816,826</u>		<u>2,083,642</u>	

The financial statements were approved by the Trustees on 23 March 2021



Mr J Cronin
Trustee

Company Registration No. 5194135

BLACKBURN YMCA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		592,400		(243,844)
Investing activities					
Purchase of tangible fixed assets		(221,419)		-	
Purchase of investment property		(1,800,000)		(2,192,916)	
Proceeds on disposal of investment property		(133,000)		-	
Disposal of investment property		133,000		-	
Interest received		7		1	
Rental income		400,868		381,201	
Net cash used in investing activities			(1,620,544)		(1,811,714)
Financing activities					
Proceeds of new bank loans		1,100,000		2,177,500	
Repayment of bank loans		(62,927)		(49,283)	
Net cash generated from financing activities			1,037,073		2,128,217
Net increase in cash and cash equivalents			8,929		72,659
Cash and cash equivalents at beginning of year			135,178		62,519
Cash and cash equivalents at end of year			144,107		135,178

BLACKBURN YMCA

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Blackburn YMCA is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Wellington Street, St Johns, Blackburn, Lancashire, BB1 8AF.

2.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 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 Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The charity commenced a building project during the year and details of the capital expenditure commitment can be found in note 26 to the accounts. Funding to complete the project has been secured since the Balance Sheet date by way of grants, loan and donations. The trustees are therefore confident that they have sufficient funds to complete the necessary work without utilising normal cash flow.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2 Accounting policies

(Continued)

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Revenue grants are credited as incoming resources when they are received, provided conditions for receipt have been complied with, and unless they relate to a specific future period in which case they are deferred.

Rental income is accounted for when receivable.

2.5 Resources expended

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

2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Tangible fixed assets include the cost of assets in the course of construction, which will be transferred to investment properties when complete and tenanted.

2.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Accounting policies

(Continued)

2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Accounting policies

(Continued)

2.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Blackburn YMCA 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. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Blackburn YMCA, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 20, Blackburn YMCA has a contractual obligation to make pension deficit payments of £1,856 per annum over the period to April 2027, accordingly this is shown as a liability in these accounts. In addition, Blackburn YMCA is required to contribute £405 per annum to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

3 Donations and legacies

	Restricted funds	Total
	2020	2019
	£	£
Donations and gifts	350	-

4 Charitable activities

	Charitable Income	Charitable Income
	2020	2019
	£	£
Performance related grants	33,740	43,787

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	400,868	381,201
Income from listed investments	7	1
	400,875	381,202

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Other income	727	25,695

7 Charitable activities

	Charitable Expenditure	Charitable Expenditure
	2020	2019
	£	£
Staff costs	12,712	14,446
Depreciation and impairment	1,035	1,293
Housing rents	587	20,419
Repairs & maintenance	126,531	71,000
Property insurance	15,600	14,147
Motor & travel expenses	3,489	5,238
Telephone	217	121
Sundry expenses	119	64
Computer costs	1,241	1,377
Postage & stationery	244	626
Grant funded programmes	12,015	13,196
	173,790	141,927
Share of support costs (see note 8)	21,309	33,762
Share of governance costs (see note 8)	46,511	68,665
	241,610	244,354
Analysis by fund		
Unrestricted funds	208,072	208,453
Restricted funds	33,538	35,901
	241,610	244,354
For the year ended 31 March 2019		
Unrestricted funds	208,453	
Restricted funds	35,901	
	244,354	

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Central management cost	21,309	-	21,309	33,762
Audit fees	-	5,880	5,880	3,600
Accountancy	-	490	490	1,410
Legal and professional	-	40,058	40,058	48,487
Bank charges	-	83	83	15,168
	<u>21,309</u>	<u>46,511</u>	<u>67,820</u>	<u>102,427</u>
Analysed between Charitable activities	<u>21,309</u>	<u>46,511</u>	<u>67,820</u>	<u>102,427</u>

9 Trustees

During the year trustee expenses totalling £305 (2019: £113) were paid.

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>1</u>	<u>1</u>
Employment costs	2020 £	2019 £
Wages and salaries	12,521	14,319
Other pension costs	191	127
	<u>12,712</u>	<u>14,446</u>

No employees were paid in excess of £60,000 per annum

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investment properties	760,000	1,784,293
Gain/(loss) on sale of investment properties	(133,000)	-
	<u>627,000</u>	<u>1,784,293</u>

12 Other

	Unrestricted funds	Total
	2020	2019
	£	£
Financing costs	<u>86,950</u>	<u>73,434</u>

13 Tangible fixed assets

	Assets under construction	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2019	-	43,647	43,647
Additions	221,419	-	221,419
At 31 March 2020	<u>221,419</u>	<u>43,647</u>	<u>265,066</u>
Depreciation and impairment			
At 1 April 2019	-	38,474	38,474
Depreciation charged in the year	-	1,035	1,035
At 31 March 2020	<u>-</u>	<u>39,509</u>	<u>39,509</u>
Carrying amount			
At 31 March 2020	<u>221,419</u>	<u>4,138</u>	<u>225,557</u>
At 31 March 2019	<u>-</u>	<u>5,173</u>	<u>5,173</u>

Assets in the course of construction consist of costs incurred at the Balance Sheet date and will be transferred to investment properties on completion when tenanted.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Investment property

	2020 £
Fair value	
At 1 April 2019	4,110,209
Additions through external acquisition	1,800,000
Net gains or losses through fair value adjustments	760,000
Other changes	(133,000)
At 31 March 2020	<u>6,537,209</u>

Investment properties acquired from YMCA England, which are occupied by individual YMCA's, were valued by Jones Lang LaSalle Limited in March 2015, for the purposes of the sale by YMCA England. The properties were valued on an existing use basis with occupation by a Registered Provider of Social Housing.

Acquisitions during the year have been valued by Jones Lang LaSalle Limited and having been acquired at a discount from YMCA England, have been revalued on an existing use basis.

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>951</u>	<u>14,703</u>

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Loans and overdrafts

	2020 £	2019 £
Bank loans	3,165,292	2,128,217
Payable within one year	108,217	44,555
Payable after one year	3,057,075	2,083,662
Amounts included above which fall due after five years:		
Payable by instalments	(2,624,208)	(1,839,495)

The long term bank loans are secured by:

- a) a first debenture creating a fixed and floating charge over the assets of the charitable company
- b) a first legal mortgage over the freehold property at Halton YMCA
- c) a first legal mortgage over six of the YMCA tenanted investment properties

The bank loans are repayable over a 25 year period by monthly instalments. The initial period of repayment to April 2023 is subject to a fixed interest rate of 3.717%. The charity may request additional fixed rate periods during the term of the loan.

17 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	16	108,217	44,555
Other taxation and social security		39	49
Trade creditors		202,331	30,441
Other creditors		700,000	7,771
Accruals and deferred income		12,810	3,764
		1,023,397	86,580

18 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	16	3,057,075	2,083,662

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

19	Provisions for liabilities	Notes	2020 £	2019 £
	Retirement benefit obligations	20	10,526	11,379
			<u>10,526</u>	<u>11,379</u>

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £191 (2019 - £127).

Defined benefit schemes

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

Valuation

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

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

The valuation prepared as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. Blackburn YMCA has been advised that it will need to make monthly contributions of £154.72 from 1 May 2020. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 7 years commencing 1 May 2020.

In addition, Blackburn YMCA may have over time liabilities in the event of non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible to quantify the potential amount that Blackburn YMCA maybe called upon to pay in the future. The next actuarial valuation was due to commence 1 May 2020 and has not yet been published.

The total obligation has been discounted at a rate of 3% on the advice of YMCA England.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2020 £	2019 £
Due within one year	1,857	1,803
1 - 2 years	1,801	1,749
2 - 5 years	5,086	4,938
After 5 years	1,782	2,888
Total liability recognised	10,526	11,379

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Big Lottery							
New							
Beginning	13,855	32,555	(29,269)	17,141	33,740	(28,939)	21,942
SIB	-	11,232	(6,632)	4,600	-	(4,600)	-
Donation	-	-	-	-	350	-	350
	13,855	43,787	(35,901)	21,741	34,090	(33,539)	22,292

New Beginning - A peer-led project aimed at empowering the Refugee and Asylum community to engage in services, support each other in their new lives and help the local community to understand the circumstances that forced them to seek refuge in the UK.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Major repairs fund	97,170	(71,000)	26,170	381,968	(126,532)	281,606
	<u>97,170</u>	<u>(71,000)</u>	<u>26,170</u>	<u>381,968</u>	<u>(126,532)</u>	<u>281,606</u>

Each member YMCA contributes an annual amount towards the major repairs fund. Major repairs have been estimated over a 25 year period and the contribution has been averaged. Individual YMCA's should not exceed their own accumulated reserve, but if this occurs, Blackburn YMCA will use pooled resources temporarily.

23 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:				
Tangible assets	225,557	-	225,557	5,173
Investment properties	6,537,209	-	6,537,209	4,110,209
Current assets/(liabilities)	(900,631)	22,292	(878,339)	63,301
Long term liabilities	(3,057,075)	-	(3,057,075)	(2,083,662)
Provisions and pensions	(10,526)	-	(10,526)	(11,379)
	<u>2,794,534</u>	<u>22,292</u>	<u>2,816,826</u>	<u>2,083,642</u>

24 Contingent liabilities

25 Financial commitments, guarantees and contingent liabilities

The charity has purchased several properties from YMCA England which had originally been funded by Social Housing Grants. The funding was contingent on existing use basis being maintained and non-disposal of the properties without permission of the grantor. Blackburn YMCA has taken over the existing contingent liabilities in respect of these properties and the total potential liability amounts to £7,504,880. This amount has not been provided for in the accounts on the basis that there is no expectation of change of use, and should such events be likely to occur, they would be subject to negotiation with the original funder.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

26 Capital commitments	2020	2019
	£	£

At 31 March 2020 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	4,527,337	-
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Capital commitments relate to the balance of costs associated with the construction of the new build housing scheme commenced during the year.

27 Related party transactions

During the year the charity received income totalling £400,875 (2019 : £406,895) from other YMCA's who occupy property owned by Blackburn YMCA. The board of trustees of Blackburn YMCA includes a member from each of the tenant YMCA's.

28 Cash generated from operations	2020	2019
	£	£
Surplus for the year	734,132	1,917,189
Adjustments for:		
Investment income recognised in statement of financial activities	(400,875)	(381,202)
Loss on disposal of investment property	133,000	-
Fair value gains and losses on investment properties	(760,000)	(1,784,293)
Depreciation and impairment of tangible fixed assets	1,035	1,293
Difference between pension charge and cash contributions	(1,799)	(1,750)
Movements in working capital:		
Decrease/(increase) in debtors	13,752	(13,654)
Increase in creditors	873,155	18,573
Cash generated from/(absorbed by) operations	592,400	(243,844)

29 Analysis of changes in net (debt)/funds

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	135,178	8,929	144,107
Loans falling due within one year	(44,555)	(63,662)	(108,217)
Loans falling due after more than one year	(2,083,662)	(973,413)	(3,057,075)
	<u>(1,993,039)</u>	<u>(1,028,146)</u>	<u>(3,021,185)</u>