Company Registration No. 06102037 (England and Wales)
Charity Registration No. 1133269 (England and Wales)
HCA Registration No. L4547

YMCA THAMES GATEWAY ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

COMPANY INFORMATION

Trustees'

A Dyckhoff (Chair)

V Clark E Galgano

Father M D Howse P W Johnson A Khan K F Moore A S Ojo D L Potter G Sandhu-Nelson D Scott-Malden

S Unsworth-Tomlinson

Secretary

P Setterfield

D J Thomas

Company number

06102037

Charity number

1133269

HCA registration number

L4547

Registered office

YMCA Thames Gateway

Rush Green Road

Romford Essex RM7 0PH

Telephone Facsimile Email

01708 766211 01708 754211

Email Website chiefexecutive@ymcatg.org

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Auditors

H W Fisher & Company

Acre House

11-15 William Road

London NW1 3ER United Kingdom

Bankers

National Westminster Bank PLC

10 South Street Romford Essex RM1 1RD

Solicitors

Bates Wells Braithwaite 2-6 Cannon Street

London EC4M 6YH

COMPANY INFORMATION

Investment managers

Barclays Bank Plc 1 Churchill Place

London E14 5HP

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CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

2015-2016 was my last full year as Chair of the Board of YMCA Thames Gateway. I spent the first part of the year leading the Board through to a decision on the proposed merger with Thames Gateway (South) YMCA, a decision that was in the end a resounding "yes".

The second half of the year was spent with Dave and the Executive Team and the new Board to bring together the two organisations. This was no mean feat, and a great challenge, but I think we can say with confidence that we have done much of the hard work to produce an integrated organisation.

When I became Chair I had wanted to be part of the transformation of lives, particularly those of young people. Amongst all of the important things I have had to do as Chair of the Board, the greatest pleasures have been to meet the young people who we work with, and their families, to understand their stories and to hear about how the services we provide have helped them at a time of crisis or enabled them to reach their potential, or just played a part in their developmental route towards adulthood.

I want to thank the Board for all of their support during the last five years, and particularly during the last year as we have sought my replacement. I do not intend, at this time, to step down from the Board but continue to serve from 'the back benches' as it were. The YMCA has been around for over 170 years and the need for its services are as relevant as ever. The solutions and approaches may well be different and to be part of this for the last 5 years has been my immense pleasure.

Andrew Dyckhof Chair

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2016

2015-2016 was a year of great change for YMCA Thames Gateway. Our first full year as the merged operation saw a myriad of challenges and opportunities present themselves. Bringing together two organisations, two staff teams, two cultures, on either side of the Thames, has been an exhilarating challenge for one and all. We have made real progress though, having integrated all of the financial, payroll and HR systems, and having made real progress on integrating the key performance information from various aspects of the new organisation.

Most importantly for me, as the leader, has been to work with the wider leadership team from both halves of the organisation in setting and aligning our new combined vision moving forward. This has been a really worthwhile and enjoyable experience. Amongst all of this the work with children, young people, and families has continued across our four social business streams, social housing, children and families, youth, and community fitness. We have worked really hard to protect more vulnerable pieces of work in a climate where Local Authority grants have been reduced and there has been profound change politically in the country.

It has been an immense pleasure working alongside our Chair, Andrew Dyckhoff, for the last 5 years. Andrew has provided great leadership to the Board, mentorship to me, and a huge wealth of experience and generosity to both our YMCA and the movement at large. There is no doubt in my mind that YMCA Thames Gateway has benefited greatly from Andrew's skills and experience and we shall surely miss him as our Chair. One of Andrew's last acts was to work with myself and another Board member to find a suitable replacement and we have been grateful for his help in that also.

Being the leader of YMCA Thames Gateway is a great privilege and as custodian leader I commend this report to you.

Dave Ball CEO

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The trustees present their report along with the accounts of the charitable company for the year ended 31 March 2016. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with applicable law and the requirements of the Financial Reporting Standard 102.

Details of personnel are given below:

Honorary Officers:

Patron:

Rt Rev Roger Sainsbury

Vice Presidents:

Peter Clarke, OBE

Sandra Cox

Ron Gale

Val Goodwin

Dave Harris

Leslie Newey

Board of Management:

Trustees:

Victoria Clark (resigned 01/07/2015) (re-appointed 27/07/15)

Andrew Dyckhoff [Chair]

Edward Galgano (resigned 01/07/2015) (re-appointed 14/03/2016)

Alan Hilton (appointed 01/07/15) (resigned 18/01/16)

Father Martin Howse [Treasurer]

Peter Johnson

Ayub Khan

Kenneth Moore (appointed 01/07/15)

Desmond Potter

Skye Sandhu-Nelson (resigned 01/07/2015) (re-appointed 27/07/15)

Abigail Sanu Ojo (appointed 01/07/15)

Geoff Rofe (appointed 01/07/15) (resigned 18/01/16)

Damon Thomas (appointed 01/07/15)

Sue Unsworth-Tomlinson (resigned 01/07/2015) (re-appointed 27/07/15)

Dominic Scott-Malden appointed (14/03/16)

Company Secretary:

Paul Setterfield

The Executive Staff Team:

Chief Executive

Director of Corporate Services

Director of Community Services

Director of Children, Families and Youth

Director of Quality & Compliance

Exec PA & Board Minute Secretary

- Dave Ball

- Paul Setterfield, ACMA, CGMA

- Lou White

- Paul Morton-Kemp

- Karen Knapp

- Gill Holmes

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Structure, governance and management

YMCA Thames Gateway is a Christian community, a Housing Association with sports, arts, fitness and well-being, youth and children's services, and international programmes. YMCA Thames Gateway was established in 2015 following a merger between Romford YMCA and YMCA Thames Gateway (South). The charity serves communities in North East and South East London, Essex and Kent, and principally in the London Boroughs of Havering, Barking & Dagenham, and Greenwich as well as Dartford and Ashford in Kent.

YMCA Thames Gateway is a company limited by guarantee, incorporated on 13 February 2007 with company number 06102037 and governed by its Memorandum and Articles of Association, last updated on 28 July 2015. It is also a registered charity with number 1133269 and a registered social housing provider with registration number L4547.

The charity is led by the elected Board of Management, which is representative of the community and membership. The Chief Executive, appointed by the Board of Management, is the Executive Officer of the Association. The Association's strategic direction is set by the Board of Management and responsibility for delivering the strategic plan is delegated to the Chief Executive and the Executive Team. Operational decisions are made by the Executive team and Departmental Managers and are implemented by staff teams across the Association. The Board of Management also has delegated sub-committees that report to it including the Finance Committee, Audit Committee and Asset Management & Development Committee.

The Association is open to all regardless of age, gender, faith or disability; it seeks and works for the 'whole person' development of all, in body, mind and spirit. We engage approximately 6,000 people in our activities each year, of which approximately 2,000 pay annual membership fees to the Association.

YMCA Thames Gateway is an autonomous charity affiliated to the National Council of YMCAs and is part of the worldwide YMCA movement. YMCA Thames Gateway is committed to the Christian Aims and Purposes of the YMCA Movement.

YMCA Thames Gateway uses the most appropriate media for the recruitment of board members at any given time. This may include informal soundings within partner communities, eg local government, church groups, and organisations specialising in the provision of volunteers and trustees (eg Get on Board and Reach). We advertise internally within our current membership to recruit board members and use external advertising where appropriate. Suitable candidates who have expressed interest submit an application which is vetted for suitability, taking into consideration what specialism they bring to the Board. Following this, suitable potential candidates are invited to an informal meeting. If both parties express the desire to explore the matter further an interview is arranged. The interview panel is empowered to recommend appointment of the new board member. An induction plan is in place for new board members.

Risk Management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The major risks which the charity has been exposed to as identified by the trustees are:

- The impact of benefit reform and the national review into supported accommodation
- The imposed reduction in social housing rents
- Major capital work requirements on out buildings

The above risks have been identified and reviewed and systems are in place to mitigate these risks including allocation of resources strategic and development planning, board recruitment and recruitment of property industry professionals to advise the board.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Origins and mission

YMCA is the largest and oldest youth charity in the world. From our beginnings in 1844, we've grown into a global movement. Local YMCAs are autonomous and affiliate to the National Council of YMCAs.

YMCA Thames Gateway 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. Spanning five boroughs, three of which are the country's most deprived, we work across five core areas:

Support & Advice – we work with residents and members to provide advice and support on benefits, education and employment, housing and health and wellbeing.

Accommodation - we provide accommodation to over 300 young people from our local communities each year, who would otherwise be at risk of homelessness.

Children, Youth and Family Work – we run pre-schools, nurseries, out-of-school clubs, holiday programme, parties and youth services. We are a registered provider of childcare services, offering Nursery and Afterschool care to approximately 700 children a year and reaching an additional 7,000 children through the provision of other services including the school holiday clubs and birthday parties. Our Youth services engage over 200 young people per year in meaningful activities.

Health &Wellbeing – we have 2,000 members who use our fitness facilities and we deliver health programmes within the community and within local schools and colleges

Education and Skills – we work with residents to provide them with education and skills programmes, as well as offering work experience programmes and placements for young people from local schools and colleges across all of our departments

As an international organisation we are also involved in worldwide partnerships to support young people. We currently have links with YMCAs in Belarus (Vitebsk YMCA), Bulgaria, Nepal, Sierra Leone.

It is estimated that the Association benefits from at least 10,000 hrs per year, given at no cost to the Association by volunteers. They make a valuable and worthwhile contribution to the Association, and are appreciated for their efforts. Volunteers play a vital role at YMCA Thames Gateway and collectively carry out many varied roles within the organisation including board and committee membership, activity leaders in clubs such as orchestra, Widows & Widowers and Women Together, our senior citizens' programme, health and wellbeing, youth work and youth football, and in support departments such as Catering and Site Operations.

Objectives and activities

Our mission is to transform the communities in which we work, enabling more young people to truly belong, contribute and thrive. To achieve that we have set five clear, strategic aims:

- Increase our impact, both in terms of numbers of people we work with and the difference we make to their lives
- Be recognised as a leading youth and community charity locally
- Prioritise the development and health of young people
- Have a sustainable business model in place that supports our continued growth
- Work with the national and global YMCA federation to deliver our shared vision.

We work with all members of the community, in the belief that everyone should be able to reach their full potential, regardless of their background. Our focus, however, is on young people, with targeted work for those with a specific need.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

We believe in joined-up working to maximise our reach and impact. Our provision is fully integrated, so that, no matter what the reason for initial contact, young people have the opportunity to access all of the services we provide, giving them the best all-round chance to improve their loves and be part of the wider community, Our concern for the welfare of young people and their communities is motivated by our Christian faith, which drives us

to place equal value on every individual, welcoming people of all faiths and none, to serve those who face disadvantage or exclusion, and to challenge discrimination and social justice.

The Trustees have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission. The benefit to the public is manifestly demonstrated by the achievements contained in this report.

Achievements and performance

The last year saw the completion of our merger between Romford YMCA and Thames Gateway (South) YMCA. The merger has led to us being a larger, stronger and more diverse organisation and has stretched our geographical reach across North and South East London, Essex and Kent. Alongside the merger we have continued to prioritise the redevelopment of our main Romford site in order to provide long term stability to the YMCA and to enable us to better serve our residents, members and local community. The Board of Trustees have, over the past year, further progressed plans for refurbishing the cladding of the hostel building.

We continue to pursue development and growth opportunities that comes our way including the potential of closer working relationships with neighbouring YMCAs in London, Essex and Kent

Performance against our strategic objectives are as follows:

1. Increase our impact, both in terms of number of people we work with and the difference we make to their lives

- Association membership numbers have remained fairly static over the year, but we have seen a large
 increase in members taking advantage of our concession membership which is offered to low earning
 people thus giving them access to affordable fitness.
- We have improved our inspection ratings in our preschool ensuring that the quality of our services for young children is improving. We also achieved an Outstanding Ofsted rating for our provision at St Mary's Hare Park School in Romford.
- We have extended our service provision at both our Temple Hill and Swanscombe nurseries, allowing us to work with more children.
- We have continued to improve upon resident programme activities and training provided to residents, giving them more skills and opportunities to find sustainable work opportunities and we have continued to support working residents via our Accelerated Move on Scheme allowing them to move into private accommodation quicker than they would otherwise be able to do.
- We have progressed discussions with the Royal Borough of Greenwich to develop 84 units of accommodation for young people in the Borough and plan to let those units during 2016-17.

2. Be recognised as a leading youth and community charity locally

- We adopted the YMCA national brand during the year and have started the process of rebranding all of our materials, marketing and buildings, website and social media pages. This will allow us to promote ourselves much more effectively raising local awareness of our charity in the communities that we serve.
- We have run a number of community fundraising events during the year, including Sleep Easy to raise
 awareness of our youth homelessness work and a mud run for members to promote health and fitness.
 These events received local press coverage and helped raise our profile as a charity.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3. Prioritise the development and health of young people

- We have been investigating opportunities with the London Borough of Havering to partner with them to provide Youth Services across the borough.
- We have tendered for an extension to our Youth Contract with Dartford Borough Council.
- We have started a project group to look at how we provide a heathy food offer throughout all of our services and have developed a range of healthy meal options to offer to our residents, members and service users.

4. Have a sustainable business model in place that supports our continued growth

- We completed the merger between Romford YMCA and Thames Gateway (South) YMCA during the year, which has grown our business, diversified our income streams and made our charity more sustainable.
- We have developed a new Executive staff structure which is more focussed on service delivery, helping
 us to ensure quality and consistency in all of our services across the organisation.
- We have progressed a range of discussions with stakeholders for developing and growing our services in a way which will lead to business growth, including taking on Local Authority contracts, opening new housing provisions and looking at partnership or merger opportunities.

5. Work with the national and global YMCA Movement to deliver our shared vision

• We have adopted the national brand and are working with YMCA England in the development of Physical Activity programmes for the movement. Internationally we are continuing to support the Belarus movement via participation in the YMCA Europe Field Group. We have supported one of our young staff members to be active YMCA global change maker and have had participants and a range of international events including the YMCA World Urban Network.

Financial Review

YMCA Thames Gateway's main sources of income arise from our charitable activities in three main business areas; Housing, Community Health and Wellbeing and Children's Services. Our Housing income is made up from a mixture of personal rental payments and housing benefit payments for residents living in our hostel or move-on accommodation. Community Health income is made up from member subscriptions, income from members for usage of our fitness facilities, and income form external bodies in payment for fitness services. Children's Services income is predominantly from payments for the use of our childcare facilities, including our nurseries and pre-schools. We also get income from other sources such as our Catering services, as well as from rental and investment income. Turnover for the twelve months ending 31 March 2016 was £4,749,878 (£4,858,020 in 2015).

2015/2016 resulted in a small surplus on operating activities of £14,802. We saw good growth in terms of turnover in our Housing services; however we saw a drop in our Children's Services and Community Fitness services income. This was due to reductions in fitness memberships as a result of increased local competition, and less demand for our out of school services. We had slightly reduced expenditure compared to 2014/15 primarily as a result of reduced administrative overheads, such as premises repair costs and utility costs, following savings associated with the merger.

The Association maintains sufficient reserves to enable it to fulfil the objectives of the Association. These reserves are held in a combination of both fixed and current assets including an investment portfolio managed on the Board's' behalf by professional investment advisers.

The key funding sources have been mainly from public sector organisations such as the London Borough of Barking & Dagenham and Dartford Council (via housing benefit payments), as well as income received direct from members for use of our facilities and from families for use of our Childcare services. We also receive government grants for our Dartford based Housing services, and for the provision of free places at our nurseries. In view of the scale of public

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

sector spending curtailment, the Association aims to continue to diversify its sources of revenue. Where funding is available, it is often incumbent on the association to evidence of effective delivery of specific key performance indicators, and therefore, YMCA Thames Gateway must ensure that all projects are delivered efficiently and meet the targets set.

Investment policy and performance

The Board has instructed the investment managers Barclays Wealth to maintain a balanced portfolio with a medium level of risk. Any investments held as direct equity holdings must be from companies listed in the FTSE4GOOD index or equivalent index if listed on a non-domestic exchange.

Income from investments was £52,980 compared to £38,536 in 2014/15. The increase in income is associated with the investment of additional funds in the portfolio following the sale of a property during 2014-15. Due to the decreases in the stock market over the financial year the fair value of losses on our portfolio amounted to £99,424.

Reserves Policy

The association's reserves are made up of both free reserves and designated reserves.

The association currently has a number of designated or restricted reserves. The largest designated reserves are the Property Asset Fund, which recognises the funds tied up in the physical property assets of the association, and the Investment Revaluation Reserve, which recognises the increases in the valuations of assets held in our investment portfolio. The designation of the reserves is reviewed on an annual basis by the Finance Committee.

The General Reserve contains funds that have not been designated for any particular purpose and are necessary and available for the association to use to effectively run our charitable services. These free reserves do not preclude the continuing need for fundraising to fulfil the objects of the association.

The Board consider that the free reserves should cover a minimum of 4 months operating expenditure. At the end of the financial year the balance of the General Reserve totalled £934,546; which covers approximately 10 weeks of operating expenditure at current expenditure levels. This is lower than out targeted level of reserves, and as such the Board of trustees have set targets to achieve surpluses on operating activities over the next 3 year period.

The Reserves Policy is reviewed annually by the Finance Committee

Value for Money

At YMCA Thames Gateway we want to provide value for money. That means getting the maximum benefit for the resources we have available, and getting the balance right between cost and quality. It means spending less, spending well and spending wisely.

By looking at value for money we want to make sure that:

- What we do is relevant and leads to benefits for young people (spend wisely)
- How we work is efficient and effective so we don't waste time or money (spend less)
- We get a good return from what we spend and make wise choices (spend well)

Over the past year we have ensured value for money in a number of ways:

- Merging with another YMCA, resulting in efficiency savings on overheads
- Hostel occupancy levels were maintained at a high level (97%) ensuring maximum use of our accommodation
- Annual contract reviews resulted in cost savings on utility costs and areas such as insurance and payroll services.
- In house refurbishment of hostel rooms and communal areas, improving the quality of our housing stock at minimal cost
- Review of Childcare services which resulted in expansion of surplus making services and contraction of loss making services

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

We will continue to strive to ensure that we achieve value for money in all of our activities. In future periods we are positively seeking opportunities to partner with or merge with other YMCAs, including completing the merger with YMCA Thames Gateway (South) in order to bring about efficiencies so that we might provide our services in an even more cost effective way.

Plans for future periods

The Board of Trustees have approved a 5 year business plan covering the period 2014-2019. There are five key strategic aims to this plan as detailed below.

1. Increase our impact, both in terms of number of people we work with and the difference we make to their lives

To enable this to happen we aim to increase our reach to the number of people we work with. We intend
to make a difference to our beneficiaries and expand into other areas where there is a need.

2. Be recognised as a leading youth and community charity locally

To begin increasing our representation and relationships with all key local decision making bodies that
operate within our sector. This will include positioning ourselves locally and developing relationships
with strategic organisations and groups. This will also means the need to increase our brand awareness for
us to market all of our services.

3. Prioritise the development and health of young people

 There will be work carried out to develop a full youth offer, including investigating opportunities with the London Borough of Havering to partner with them in providing Youth Services across the borough. We will be working towards our aim of having young people be represented at all leadership levels in the organisation.

4. Have a sustainable business model in place that supports our continued growth

• We will seek to diversify our income streams so that more or our work is supported via grant or contract income. We will seek to grow our surpluses to enable us to invest in our infrastructure. We will invest in our leaders and staff to ensure that they have the necessary skills to facilitate growth. We will also focus on our site masterplan and refurbishment of our main building

5. Work with the national and global YMCA Movement to deliver our shared vision

There will be the adoption of the national brand and we will begin to work towards the development and
delivery of two national signature programmes. Work will also be carried out on the development of an
international strategy to enable us to engage with the global movement.

In working towards achieving our aims, the priorities for 2016-17 include the following:-

- To complete the implementation of the Dockyard Project, a new housing scheme for 84 young people in Greenwich.
- To submit applications to funders to both secure our existing and expand our youth provision.
- To complete project planning and secure funding to enable cladding works to be completed in 2017-18.
- Implement phase II of the rollout of the National Brand, including external signage.
- To implement a membership and retention plan in order to increase membership by 20%.
- The development of 3 Project Groups to lead change and drive quality in the organisation.

By order of the Board

Chief Executive

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements 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 company and of the surplus or deficit of the company for that period. 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 SoRP;
- · make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YMCA THAMES GATEWAY

We have audited the financial statements of YMCA Thames Gateway for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with section 128 of 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 charitable 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 directors and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its surplus 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 Housing and Regenerations Act 2008, the Accounting requirements for Registered Social Landlords 2014 and the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF YMCA THAMES GATEWAY

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, 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.

David Breger (Senior Statutory Auditor) for and on behalf of H W Fisher & Company

Chartered Accountants Statutory Auditor

Acre House 11-15 William Road London United Kingdom

29h Systember 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Notes	£	£
Income	3	4,749,878	4,858,020
Cost of sales		(3,045,749)	(2,986,345)
Gross surplus		1,704,129	1,871,675
Administrative expenses		(1,689,327)	(1,819,282)
Operating surplus	4	14,802	52,393
Interest receivable and similar income	8	52,980	38,536
Interest payable and similar charges	7	(68,241)	(59,577)
Fair value gains and losses on fixed asset investments	9	(99,424)	109,656
Fair value gains and losses on investment prope	= = = = = = = = = = = = = = = = = = = =	170,000	
Surplus before taxation		70,117	141,008
Taxation	11	-	
Surplus for the financial year	28	70,117	141,008
Other comprehensive income		3.₹.,	2
Total comprehensive income for the year		70,117	141,008

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

BALANCE SHEET

AS AT 31 MARCH 2016

		20	016	20	015
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		13,200,669		13,062,593
Investment properties	13		450,000		280,000
Investments	14		1,739,596		1,799,783
Comment			15,390,265		15,142,376
Current assets Stocks	16	0.422		0.404	
Debtors	17	8,422		8,131	
Cash at bank and in hand	17	236,714		384,779	
Cash at bank and in name		577,452		525,660	
Craditars, amounts folling due sitti	10	822,588		918,570	
Creditors: amounts falling due within one year	18	(456,782)		(507,217)	
NT-4				(
Net current assets			365,806		411,353
Total assets less current liabilities			15,756,071		15,553,729
Creditors: amounts falling due after more than one year	19		(2,275,493)		(2,137,403)
Provisions for liabilities	21		21		(5,865)
					(5,805)
Net assets			13,480,578		13,410,461
Reserves					
Restricted reserve	27		15,989		15,465
Property revaluation reserve	24	4,944,569		5,047,581	
Other reserves	25	7,585,474		7,749,524	
General reserves	28	934,546		597,891	
			13,464,589		13,394,996
Members' funds			13,480,578		13,410,461
			===		=======================================

A Dyckhoff (Chair)

Trustee

Company Registration No. 06102037

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Revaluation reserve	Other reserves	General reserves £	Total £
Balance at 1 April 2014 Effect of transition to FRS 102		5,150,593	6,634,535 1,052,112	506,113 (73,900)	7,140,648 6,128,805
As restated		5,150,593	7,686,647	432,213	13,269,453
Year ended 31 March 2015: Profit and total comprehensive income for the year Transfers Other		(103,012)	- - 78,342	141,008 24,670	141,008 24,670 (24,670)
Balance at 31 March 2015		5,047,581	7,764,989	597,891	13,410,461
Year ended 31 March 2016: Profit and total comprehensive income for the year Transfers Other		- (103,012)	- - (163,526)	70,117 266,538	70,117 266,538 (266,538)
Balance at 31 March 2016		4,944,569	7,601,463	934,546	13,480,578

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	201		201	
	Hotes	r	£	£	£
Cash flows from operating activities					
Cash generated from operations	32		370,000		291,302
Investing activities					ŕ
Purchase of tangible fixed assets		(201,192)		(302,712)	
Proceeds on disposal of investment proper	ty	-		215,305	
Transfer to investment portfolio		(#)		(350,000)	
Net cash used in investing activities			(201,192)		(437,407)
Financing activities					
Payment of pension obligations		(117,016)		(113,607)	
				(115,007)	
Net cash used in financing activities			(117,016)		(113,607)
**					-
Net increase/(decrease) in cash and cash	equivalents		51,792		(259,712)
Cash and cash equivalents at beginning of	year		525,660		785,372
Cash and cash equivalents at end of year	r		577,452		525,660

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

YMCA Thames Gateway is a private company limited by guarantee incorporated in England and Wales. The registered office is YMCA Thames Gateway, Rush Green Road, Romford, Essex, RM7 0PH.

YMCA Thames Gateway was established in July 2015 following a merger between Romford YMCA Limited and YMCA Thames Gateway (south) Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Housing Statement of Recommended Practice 2014, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Homes and Communities agency in September 2015), the Statement of Recommended Practice for Charities issued in January 2015, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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.

These financial statements for the year ended 31 March 2016 are the first financial statements of YMCA Thames Gateway prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 34.

YMCA Thames Gateway meets the definition of a public benefit entity under FRS 102.

1.2 Business combinations

During the year, Romford YMCA Limited and YMCA Thames Gateway (south) Limited merged to become YMCA Thames Gateway Limited.

The combination has been designated as a merger and the entity has followed the rules of merger accounting. The combined results for the period have been presented in the financial statements and the comparative figures restated.

The figures have been adjusted to ensure that consistent accounting policies have been applied across both periods.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company 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.

1.4 Income and expenditure

All incoming resources are included in the Statement of Comprehensive Income when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of the donation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets except housing properties are stated at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Housing properties are stated at cost and depreciated by component over the estimated useful economic lives of the component categories.

The cost of properties is their purchase price together with incidental costs of acquisitions and improvements, including related management charges. Under the transition to FRS 102 rules, the housing properties have been included in the accounts at deemed cost. For further details, see note 32 of the accounts.

Expenditure on housing and other properties which adds to the value of the property or extends its useful life is capitalised.

Property donated to the association is capitalised at its value in current use at the time it is legally transferred.

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:

Freehold land and buildings

Leasehold land and buildings

Over the length of the lease

Fixtures and fittings

Office equipment

20% straight line

20% straight line

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 credited or charged to surplus or deficit.

20% straight line

No depreciation is provided in respect of freehold land.

Tangible fixed assets are capitalised when their value exceeds £1,000. Smaller items are capitalised when they are part of a group of assets.

1.6 Investment properties

Motor vehicles

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Listed investments are stated at market value. In accordance with the Statement of Recommended Practice published by the National Federation of Housing Associations in 2014 any unrealised gains or loses are included within the statement of total comprehensive income.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.10 Financial instruments

The company 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 company's statement of financial position when the company 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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 receipts 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 business 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in surplus or deficit in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 Taxation

The company has obtained exemption from the Revenue Commissioners in respect of corporation tax, it being a company not carrying on a business for the purposes of making a profit.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement has been considered immaterial to the accounts and has not been included.

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

1.14 Retirement benefits

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

YMCA Thames Gateway 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 YMCA Thames Gateway for disclosure in the accounts.

The scheme's actuary has advised that additional contributions are required in order for the scheme to meet the future obligations of the scheme. The current deficit funding commitment has been included as a creditor in the accounts, stated at the present value of the liability.

1.15 Leases

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted reserves are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

3 Income/Service charges

The turnover, operating costs and operating surplus recognised can be analysed as follows:

For the year ended 31 March 2016			
Baseline Baseline - Const.	Turnover	Operating costs	Operating surplus
Social housing lettings			
Rent	1,250,079	(1,156,504)	93,575
Service charges	1,446,507	(1,397,261)	49,246
Void losses	(141,790)	÷	(141,790)
Social housing grant	151,585	(158,713)	(7,128)
	2,706,381	(2,712,478)	(6,097)
Other income			((1
Childrens services	842,808	(842,147)	661
Fitness services	551,806	(539,662)	12,144
Youth services	131,612	(110,160)	21,452
Catering services	134,674	(125,231)	9,443
Sundry income	382,597	(405,398)	(22,801)
	2,043,497	(2,022,598)	20,899
	4,749,878	(4,735,076)	14,802
	4,749,070	(4,733,070)	
	-		
The state of the s			
For the year ended 31 March 2015	Turnover	Operating costs	Operating surplus
	Turnover	Operating costs	Operating surplus
Social housing lettings		Service of Contractive Service Contractive	
Social housing lettings Rent	1,225,381	(1,137,850)	87,531
Social housing lettings Rent Service charges	1,225,381 1,412,687	Service of Contractive Service Contractive	87,531 81,442
Social housing lettings Rent	1,225,381	(1,137,850)	87,531
Social housing lettings Rent Service charges Void losses	1,225,381 1,412,687 (131,037) 151,653	(1,137,850) (1,331,245) - (154,421)	87,531 81,442 (131,037)
Social housing lettings Rent Service charges Void losses Social housing grant	1,225,381 1,412,687 (131,037)	(1,137,850) (1,331,245)	87,531 81,442 (131,037) (2,768)
Social housing lettings Rent Service charges Void losses Social housing grant Other income	1,225,381 1,412,687 (131,037) 151,653 2,658,684	(1,137,850) (1,331,245) - (154,421) - (2,623,516)	87,531 81,442 (131,037) (2,768)
Social housing lettings Rent Service charges Void losses Social housing grant Other income Childrens services	1,225,381 1,412,687 (131,037) 151,653 2,658,684 870,518	(1,137,850) (1,331,245) (154,421) (2,623,516) (861,703)	87,531 81,442 (131,037) (2,768) 35,168
Social housing lettings Rent Service charges Void losses Social housing grant Other income Childrens services Fitness services	1,225,381 1,412,687 (131,037) 151,653 2,658,684 870,518 563,752	(1,137,850) (1,331,245) (154,421) (2,623,516) (861,703) (558,836)	87,531 81,442 (131,037) (2,768) 35,168 8,815 4,916
Social housing lettings Rent Service charges Void losses Social housing grant Other income Childrens services Fitness services Youth services	1,225,381 1,412,687 (131,037) 151,653 	(1,137,850) (1,331,245) - (154,421) - (2,623,516) (861,703) (558,836) (127,445)	87,531 81,442 (131,037) (2,768) 35,168 8,815 4,916 (2,706)
Social housing lettings Rent Service charges Void losses Social housing grant Other income Childrens services Fitness services Youth services Catering services	1,225,381 1,412,687 (131,037) 151,653 2,658,684 870,518 563,752 124,739 141,944	(1,137,850) (1,331,245) - (154,421) - (2,623,516) (861,703) (558,836) (127,445) (137,709)	87,531 81,442 (131,037) (2,768) 35,168 8,815 4,916 (2,706) 4,235
Social housing lettings Rent Service charges Void losses Social housing grant Other income Childrens services Fitness services Youth services	1,225,381 1,412,687 (131,037) 151,653 	(1,137,850) (1,331,245) - (154,421) - (2,623,516) (861,703) (558,836) (127,445)	87,531 81,442 (131,037) (2,768) 35,168 8,815 4,916 (2,706)
Social housing lettings Rent Service charges Void losses Social housing grant Other income Childrens services Fitness services Youth services Catering services Sundry income	1,225,381 1,412,687 (131,037) 151,653 2,658,684 870,518 563,752 124,739 141,944 293,689	(1,137,850) (1,331,245) - (154,421) - (2,623,516) (861,703) (558,836) (127,445) (137,709) (291,824)	87,531 81,442 (131,037) (2,768) 35,168 8,815 4,916 (2,706) 4,235
Social housing lettings Rent Service charges Void losses Social housing grant Other income Childrens services Fitness services Youth services Catering services Sundry income	1,225,381 1,412,687 (131,037) 151,653 2,658,684 870,518 563,752 124,739 141,944 293,689 204,594	(1,137,850) (1,331,245) - (154,421) - (2,623,516) (861,703) (558,836) (127,445) (137,709) (291,824) (204,594)	87,531 81,442 (131,037) (2,768) 35,168 8,815 4,916 (2,706) 4,235 1,865

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

4	Operating surplus		
		2016	2015
	Operating surplus for the year is stated after charging/(crediting):	£	£
	Fees payable to the company's auditor for the audit of the company's financial statements		
		17,000	17,076
	Depreciation of owned tangible fixed assets	405,877	382,508
	Surplus on disposal of investment property		(305)
	Operating lease charges	3,600	3,600

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

The average monthly number of persons (including directors) employed by the con-	ipany during the year	was.
	2016	2015
	Number	Number
Housing	29	23
Community health	20	20
Children's services	60	71
Youth services	4	4
Catering services	23	22
Executive team	6	6
Corporate services and admininistration	17	14
Site operations and cleaning	21	19
Membership and reception	15	9
The state of the s		-
	195	188
		_
The average monthly number of full time equivalent employees of the association v	vas 116 (2015: 106).	
Their aggregate remuneration comprised:		
THEN REPORTS TANDAMENT ASSESSMENT	2016	2015
	£	£

The appropriate the second sec	2016	2015 £
	£	ı
Wages and salaries	2,532,733	2,476,688
Social security costs	154,399	144,761
Pension costs	55,587	40,188
	2,742,719	2,661,637

The number of employees whose annual emoluments £60,000 or more were:

	2016 Number	2015 Number
£60,000 - £70,000	1	1
£70,001 - £80,000	1	
	2	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

6	Executive staff emoluments		
		2016	201
		£	
	Emoluments	293,622	254.74
	Pension contributions	16,070	254,74 12,15
			12,15
	Total emoluments	309,692	266,89
			-
	The salary received by the highest paid executive staff member (the Chief Executive) was:		
		2016	201
		£	201
	Emoluments	80,000	64,77
	There is no longer a defined benefit scheme in operation for the Chief Exemade in the year. Contributions to the stakeholder pension on behalf of	ecutive and therefore no contrib f the Chief Executive were £5	outions were
	made in the year. Contributions to the stakeholder pension on behalf of £4,211).	ecutive and therefore no contrib f the Chief Executive were £5	butions were 5,200 (2015)
	made in the year. Contributions to the stakeholder pension on behalf of	ecutive and therefore no contrib f the Chief Executive were £5	5,200 (2015
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges	f the Chief Executive were £5	5,200 (2015 20 1
,	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost:	the Chief Executive were £5 2016 £	201:
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities	f the Chief Executive were £5	5,200 (2015) 2019
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs:	2016 £ 30,750	201:
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities	the Chief Executive were £5 2016 £	2015 2019 39,70°
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation	2016 £ 30,750	2015 2019 39,70°
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation	2016 £ 30,750	39,70° 19,876
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation	2016 £ 30,750 37,491	39,70° 19,870
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation	2016 £ 30,750 37,491	39,70° 19,870
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation Other interest	2016 £ 30,750 37,491	39,70° 19,87° 59,57°
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation Other interest	2016 £ 30,750 37,491 - 68,241	39,70° 19,87° 59,57° 2015
	Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation Other interest	2016 £ 30,750 37,491	5,200 (2015 20 1
	made in the year. Contributions to the stakeholder pension on behalf of £4,211). Interest payable and similar charges Interest on financial liabilities measured at amortised cost: Other interest on financial liabilities Other finance costs: Unwinding of discount on pension obligation Other interest	2016 £ 30,750 37,491	39,70° 19,87° 59,57° 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

9	Amounts written off investments	2016	2015
		£	£
	Gain/(loss) on disposal of fixed asset investments	-	(5,024)
	Other gains and losses	(99,424)	114,680
		(99,424)	109,656
		(99,424)	====

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year in respect of their duties as trustees.

11 Taxation

As a registered charity, YMCA Thames Gateway is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the charity during the year (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

2 Tangible fixed assets

Cost At 1 April 2015 Additions Disposals
-
P >
~
7
180

At 31 March 2016

Depreciation and impairment
At 1 April 2015
Depreciation charged in the year

At 31 March 2016

Carrying amount At 31 March 2016

At 31 March 2015

13,062,593	3,933		157,118	1,611,934	11,289,608
13,200,669		18,973	151,110	1,560,161	11,470,425
2,165,983	83,772	67,957	1,220,362	323,814	470,078
1,760,106 405,877	79,839 3,933	63,214 4,743	1,116,710 103,652	269,144 54,670	231,199 238,879
15,366,652	83,772	86,930	1,371,472	1,883,975	11,940,503
14,822,699 1,511,192 (967,239)	83,772	63,214 23,716	1,273,828 97,644	1,881,078 2,897	11,520,807 1,386,935 (967,239)
Į+s	њ	t+2	£45	į+o	}
Total	Motor vehicles	Office	Fixtures and fittings	Leasehold land and buildings	Freehold land and buildings

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13	Investment property	
	74.400.400 P. 40.400 A	2016
		£
	Fair value	
	At 1 April 2015	280,000
	Net gains or losses through fair value adjustments	170,000
	At 31 March 2016	450,000

Investment property comprises 530 Upper Brentwood Road. The fair value of the investment property has been arrived at on the basis of a valuation carried out in January 2016 by Balgores Estate Agents, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

		2016	2015
		£	£
	Cost	56,120	50,000
	Accumulated depreciation	32,122	31,000
	Carrying amount	23,998	19,000
		· —	
14	Fixed asset investments	2016	2015
		£	£
	Listed investments	1,669,155	1,737,357
	Cash	70,441	62,426
		1,739,596	1,799,783
	Listed investments included above:		
	Listed investments carrying amount	1,669,155	1,737,357

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

14	Fixed asset investments			(Continued)
	Movements in fixed asset investments			
		Listed investments	Cash	Total
		£	£	£
	Cost or valuation			
	At 1 April 2015	1,737,357	62,426	1,799,783
	Additions	461,557	(461,557)	-
	Valuation changes	(99,424)	-	(99,424)
	Investment income	-	52,980	52,980
	Investment management fees		(14,059)	(14,059)
	Disposals	(430,335)	430,651	316
	At 31 March 2016	1,669,155	70,441	1,739,596
	Carrying amount			
	At 31 March 2016	1,669,155	70.441	1 720 506
	710 51 Million 2010	1,009,133	70,441	1,739,596
	At 31 March 2015	1,737,357	62,426	1,799,783
15	Financial instruments			
			2016	2015
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		165,551	185,884
	Equity instruments measured at fair value		1,739,596	1,799,783
	Carrying amount of financial liabilities			
	Measured at amortised cost		2,691,807	2,616,820
16	Stocks			
			2016	2015
			£	£
	Catering stock		8,422	8,131

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

17	Debtors		2016	2015
	Amounts falling due within one year:		£	£
	Rent arrears		133,435	130,025
	Provision for doubtful debts		(62,799)	(61,969)
			70,636	68,056
	Other trade debtors		90,222	117,828
	Other debtors		4,693	-
	Prepayments and accrued income		71,163	198,895
			236,714	384,779
18	Creditors: amounts falling due within one year			
			2016	2015
			£	£
	Trade creditors		156,175	50,867
	Other taxation and social security		40,468	27,800
	Other creditors		6,784	27,351
	Accruals and deferred income		253,355	401,199
			456,782	507,217
19	Creditors: amounts falling due after more than one year			
			2016	2015
		Notes	£	£
	Other borrowings	20	1,190,750	967,239
	Accrued pension contributions		1,084,743	1,170,164
			2,275,493	2,137,403
20	Loans and overdrafts			
20	LIVARS AND OVER GUARES		2016 £	2015 £
	Other loans		1,190,750	967,239
			1,190,750	967,239
	Payable after one year		====	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

20 Loans and overdrafts

(Continued)

The long-term loan is a loan from YMCA England to acquire the freehold of the Roundhouse hostel as part of the merger with YMCA Thames Gateway (South) Limited. The loan is secured by a fixed charge over the freehold of the Roundhouse hostel.

The loan is repayable over 15 years, with the first instalment due in 5 years time. Interest is accrued at 2.5% from the inception of the loan.

21 Provisions for liabilities

	2016 £	2015 £
Other provision		5,865
		====

Movements on provisions:

	£
At I April 2015	5,865
Release of provision	(5,865)
At 31 March 2016	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

22 Retirement benefit schemes

Defined contribution schemes

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

The charge to surplus or deficit in respect of defined contribution schemes was £55,587 (2015 - £40,188).

Defined benefit schemes

YMCA Thames Gateway 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 Thames Gateway 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).

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 payments 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 plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA Thames Gateway and accordingly no plan assets or liabilities have been shown on the balance sheet.

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 as at May 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. YMCA Thames Gateway has been advised that it will need to make monthly contributions of £9,751 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 1st May 2015.

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

23 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

24 Property revaluation reserve

	2016	2015
	£	£
	5 047 591	5 150 502
At beginning of year	5,047,581	5,150,593
Depreciation transfer	(103,012)	(103,012)
At end of year	4,944,569	5,047,581
744 Ave X		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

25 Other reserves

	Pension reserve	Designated reserves	Total
	£	£	£
At 1 April 2014		6,603,005	6,603,005
Effect of transition to FRS 102	(1,249,689)	2,301,801	1,052,112
As restated	(1,249,689)	8,904,806	7,655,117
Net movement in reserves for the year	79,525	14,882	94,407
At 31 March 2015	(1,170,164)	8,919,688	7,749,524
Net movement in reserves for the year	85,421	(249,471)	(164,050)
At 31 March 2016	(1,084,743)	8,670,217	7,585,474
	-		

26 Designated funds

	Brought forward £	Transfers £	Carried forward £
Pension fund	25,436	-	25,436
Investment revaluation reserve	533,804	24,960	558,764
Cyclical housing works	457,622	(457,622)	200,101
Property asset fund	7,853,961	232,056	8,086,017
Furniture fund	8,500	(8,500)	-,000,000
Temple Hill fund	29,760	(29,760)	
ARC fund	10,605	(10,605)	-
	-		
	8,919,688	(249,471)	8,670,217
	-		

Pension fund reserve - this reserve has been set up to provide an annual income to an ex-employee of the YMCA. On the death of the gentleman in question, the reserve is to be released back into general unrestricted reserves.

Investment revaluation reserve - this reserve is the difference between the cost and current market value of revalued investment assets.

Property asset fund - this fund represents the original cost of the land and buildings, net of depreciation charged. In combination with the property revaluation reserve, it represents the net book value of properties held.

The Cyclical housing works fund, Temple Hill fund, Furniture fund and ARC fund have been released to the revenue reserve, as the trustees have deemed these no longer necessary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

27	Restricted funds	Brought forward	Incoming resources	Resources expended	Carried forward
		£	£	£	£
	Miscellaneous special funds	15,465	3,023	(2,499)	15,989
		15,465	3,023	2,499	15,989

Miscellaneous special funds - this is the aggregate balance of a number of small restricted funds for projects run by the YMCA.

28 Income and expenditure account

	2016	2015
	£	£
At the beginning of the year	597,891	432,213
Surplus for the year	70,117	141,008
Transfer to reserves	266,538	24,670
	E	
At the end of the year	934,546	597,891
	 2	

29 Financial commitments, guarantees and contingent liabilities

The Big Lottery Fund provided a grant of £2,250,000 towards the development of the Roundhouse hostel in Dartford. The fund has taken a charge over the freehold property until July 2029. Should the entity not comply with the terms of the grant, then the grant would become repayable.

Discussions are continuing with the builders with regard to the final costings of the construction of the Roundhouse extension. Dependent on the outcome of those discussions, further costs may be due. The trustees are of the opinion that all costs have been paid.

The Homes and Communities Agency (HCA) have also provided grant funding towards the development of the Roundhouse hostel in Dartford totalling £2,441,660. Should YMCA Thames Gateway decide to sell the property, this amount will be liable to be repaid to the HCA under the conditions of the grant.

A number of grants have been received towards the building and maintenance of the Romford hostel, which have previously sat as a liability against the Freehold land and buildings of the entity. Under the terms of the grants, the funds are repayable if the relevant properties are subsequently sold. The total contingent liability at 31 March 2016 is £2,301,801 (2015: £2,301,801).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

30 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	3,600	3,600
Between two and five years	14,400	14,400
In over five years	3,600	7,200
	21,600	25,200

31 Related party transactions

£10,750 of consultancy fees were paid in the year to Victoria Clark, who is a Trustee, for consultancy services relating to restructuring the financial reporting of the charity.

32 Cash generated from operations

	2016	2015
	£	£
Surplus for the year after tax	70,117	141,008
Adjustments for:		
Finance costs	30,750	19,870
Investment income	(52,980)	(38,536)
Investment management fees	14,059	11,597
Gain on disposal of investment property	0 <u>=</u>	(305)
Gain on disposal of fixed asset investments	(316)	()
Fair value gains and losses on investment properties	(170,000)	-
Depreciation and impairment of tangible fixed assets	405,877	382,508
(Gain)/loss on sale of investments		5,024
Unrealised loss/(gain) on fixed asset investments	99,424	(114,680)
Release of provision	(5,865)	1=1
Unwinding of pension discount	37,491	39,707
Prepaid acquition costs	(150,000)	-
Movements in working capital:		
(Increase)/decrease in stocks	(291)	1,648
Decrease/(increase) in debtors	148,065	(159,683)
(Decrease)/increase in creditors	(56,331)	3,144
Cash generated from operations	370,000	291,302

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

33	Residential units under management	2015 Number	2014 Number
	The number of hostel accomodation bed spacecs in management	194	194
	The number of units of housing accomodation in management: George Williams House	10	10
	Red Triangle House	4	4
	Hedley House	8	8
	Church View	10	10
	Brookfield Court	3	3
		4	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

34 Reconciliations on adoption of FRS 102

Reconciliation of equity

	At 1 April 2014				At 31 March 2015		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102	
Notes	£	£	£	£	£	£	
Fixed assets							
Tangible assets	5,689,995	7,452,394	13,142,389	5,731,601	7,330,992	13,062,593	
Investment properties	495,000	-	495,000	280,000	-	280,000	
Investments	1,313,188		1,313,188	1,799,783	-	1,799,783	
	7,498,183	7,452,394	14,950,577	7,811,384	7,330,992	15,142,376	
Current assets				-			
Stocks	9,779	-	9,779	8,131		8,131	
Debtors	225,096	-	225,096	384,779	-	384,779	
Bank and cash	785,372		785,372	525,660	-	525,660	
	1,020,247	-	1,020,247	918,570	-	918,570	
Creditors due within one year		-					
Loans and overdrafts	(175,000)	-	(175,000)	-	-	2	
Taxation	(37,942)	-	(37,942)	(27,800)	-	(27,800)	
Other creditors	(386,606)	(73,900)	(460,506)	(399,892)	(79,525)	(479,417)	
	(599,548)	(73,900)	(673,448)	(427,692)	(79,525)	(507,217)	
Net current assets	420,699	(73,900)	346,799	490,878	(79,525)	411,353	
Total assets less current			-				
liabilities	7,918,882	7,378,494	15,297,376	8,302,262	7,251,467	15,553,729	
Creditors due after one year							
Loans and overdrafts	(772,369)	-	(772,369)	(967,239)	_	(967,239)	
Other creditors	-	(1,249,689)	(1,249,689)	-	(1,170,164)	(1,170,164)	
	(772,369)	(1,249,689)	(2,022,058)	(967,239)	(1,170,164)	(2,137,403)	
Provisions for liabilities							
Other provisions	(5,865)		(5,865)	(5,865)	-	(5,865)	
Net assets	7,140,648	6,128,805	13,269,453	7,329,158	6,081,303	13,410,461	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

34 Reconciliations on adoption of FRS 102

(Continued)

	At 1 April 2014			At 31 March 2015			
revious UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102		
£	£	£	£	£	£		
-	5,150,593	5,150,593	-	5,047,581	5,047,581		
6,634,535	1,052,112	7,686,647	6,563,995	1,200,994	7,764,989		
506,113	(73,900)	432,213	765,163	(167,272)	597,891		
7,140,648	6,128,805	13,269,453	7,329,158	6,081,303	13,410,461		
	GAAP £ 6,634,535 506,113	GAAP transition £ - 5,150,593 6,634,535 1,052,112 506,113 (73,900)	GAAP transition £ £ £ - 5,150,593 5,150,593 6,634,535 1,052,112 7,686,647 506,113 (73,900) 432,213	GAAP transition £ £ £ £ - 5,150,593 5,150,593 -6,634,535 1,052,112 7,686,647 6,563,995 506,113 (73,900) 432,213 765,163	GAAP transition £ £ £ £ £ £ - 5,150,593 5,150,593 - 5,047,581 6,634,535 1,052,112 7,686,647 6,563,995 1,200,994 506,113 (73,900) 432,213 765,163 (167,272)		

Reconciliation of profit or loss for the year

		Year ended 31 March 2015				
		Previous UK GAAP	Effect of transition	FRS 102		
	Notes	£	£	£		
Income		4,858,020	-	4,858,020		
Cost of sales		(3,099,952)	113,607	(2,986,345)		
Gross surplus		1,758,068	113,607	1,871,675		
Administrative expenses		(1,697,880)	(121,402)	(1,819,282)		
Income from other fixed asset investments		38,536	-	38,536		
Interest payable and similar charges		(19,870)	(39,707)	(59,577)		
Amounts written off investments		109,656		109,656		
Surplus before taxation		188,510	(47,502)	141,008		
Taxation			125			
Surplus for the financial period		188,510	(47,502)	141,008		
				200		

Notes to reconciliations on adoption of FRS 102

(i) Valuation of housing properties

The housing properties owned and leased by YMCA Thames Gateway have been included in the accounts at the deemed cost of the properties at 1 April 2014, under the transition to FRS 102 rules. The values included have been determined by independent valuers as at the transition date.

(iii) Government grants

Grants received in relation to property development have been accounted for using the accrual method.