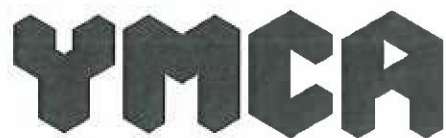


**WEST LONDON YMCA
(A COMPANY LIMITED BY GUARANTEE)**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2017**

**Company Number: 03244611
Charity Number: 1058593
Housing Association Number: H4128**



**WEST LONDON YMCA
(A COMPANY LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017**

Index to the financial statements

Contents	Page
Strategic Report	1-3
Report of the Board of Management	4-9
Statement of the Responsibilities of the Board	10
Statement of Internal Control	11
Independent Auditors' Report	12-13
Statement of Comprehensive Income	14
Statement of Changes in Reserves	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to the Financial Statements	18-33

Business and financial

Our financial results for the year ended 31 March 2017 reflect a year of consolidation following the impacts of the redevelopment that has dominated previous years. We have faced a number of in year challenges that have affected our original budgetary forecasts. These include the redundancy costs for the Senior Management Team members who resigned in September 2016 and the housing support team at Jupiter House, Hayes. We also incurred the in year loss of management agreement income for Jupiter House, although this was offset by reduced expenditure.

The Finance subcommittee, in particular, have directed the executive officers, in terms of response to these challenges, and have remained determined to take action to achieve a positive surplus by year end. The year-end turnout is a £52,326 surplus (2016: £244,473 surplus). This is a commendable achievement given the volatility of the year. Cash and cash equivalents increased by £21,831 during the year (2016: £37,650 increase).

As well as staff changes and the loss of a supported housing contract we have also lost a number of grants and contracts related to youth programming which has been dramatically scaled down as a consequence.

Our primary purpose is developing opportunities that transform young lives. Each month we work with around 1,100 children and young people.

We maintain a particular focus on youth homelessness. We support over 434 young people through our housing projects in four West London boroughs (2016: 440). Young people tell us repeatedly that the most powerful influence upon them is their relationship with the members of staff who refuse to give up on them.

Our eight supported housing projects provide accommodation for up to two years. They provide accessible accommodation, support, training, personal development, job search facilities and other essential amenities, together with community involvement and resettlement opportunities. They provide support in order for young people to live independently in a sustainable way. In addition, the Supported Lodgings programme provides accommodation with support in host families for young people aged 16 and 17. In the last year 228 young people moved on successfully to independent accommodation (2016: 189).

Our specific in-house programmes in supporting young people to engage with employment, training or education continue to develop with a proportion of our young people gaining volunteering, education, employment and training positions.

Our work provides value for money for society through preventing the higher costs of repeat homelessness, offending behaviour, emergency health admissions, bed blocking and other social costs. We also undertake specific value for money activities to ensure 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 efficiently)
- We realise a good return from what we spend and make wise choices (invest well)

We achieved this during the year by retendering services, by carrying out specific reviews of costs, by improving the services for the same cost and by bringing in additional funding to improve the services.

We carried out a number of community fundraising events during the year, including "Sleep Easy", a sponsored sleep out. This year's event was undertaken in partnership with Queens Park Rangers Football Club and took place at the Loftus Road Stadium. This new partner relationship should assist us with a broader community based activity and fundraising in the future. The funds from these provide extra support for young people moving on with their lives, such as starter packs of cooking and household equipment, interview clothes and travel passes to attend interviews. Although the amounts are relatively small the impact for a young person can make a significant difference. This would not be possible without the support of donors and individuals who participate in raising funds. There are no material investments.

The contribution from volunteers remains important. At March 2017 there were approximately 25 regular volunteers (2016: 40), and others undertook a number of projects during the year. Volunteers contributed significantly to each programme, particularly in youth work. We are pleased that our volunteering community represents the diverse communities in which we work. The volunteering programme not only enhances West London YMCA's projects, but also forms part of our work by enhancing the skills and well-being of the volunteers themselves. Most are from our local community and many are young people, including residents. A number have found new employment after volunteering.

Plans for future periods

We developed a new strategic plan during the financial year. This included a new mission, vision, values and themes objectives.

The **mission** for West London YMCA is **"We aspire to be an inclusive Christian movement working with young people and their communities to inspire, enable and empower them to belong, contribute and thrive."**

The **vision** is **"We are committed to the development of young people in mind, body and spirit through training and education, advice and skilled development. We will do this by providing and commissioning services and activities that support young people to the best that they can be."**

West London YMCA have adopted **"values"** based on four of the five principle service areas:

- **Accommodation: We believe that every young person should have a safe place to stay.**
- **Training and Education: We believe that every young person should be able to fulfil their full potential.**
- **Health and wellbeing: We believe that everyone should be able to enjoy the benefits of physical exercise.**
- **Support and advice: We believe that every young person should have someone they can trust.**

The **strategic themes** for West London YMCA are stated as:

- **We will work in partnership with community based organisations and agencies that support our ethos and values.**
- **We will ensure that we are fiscally vigilant and financially viable by reducing our dependence on central and local government funding, intelligently using our assets, and raising our income levels.**
- **We will invest in governance and infrastructure to support the delivery of our objectives**
- **We will create a workforce development strategy that builds a culture of innovation, creativity and success.**
- **We will achieve a merger with another London YMCA.**

One of the key themes of our new strategic plan is to reduce our dependency on state funding. We are heavily reliant on Local Authority contracts and welfare benefits covering housing and support costs. We are aware of the impacts on our business plan of welfare reforms, in which young people are particularly adversely affected.

We are also alert to the fact that this dependency on council contracts has moved us away from our mission. We believe that all young lives are important and are worthy of support. Due to financial pressures Local Authorities are increasingly only able to support those in the highest need and warranting statutory support. By default, this becomes our client group. We aim to develop an independent source of income that would enable us to make choices about who we offer support to, based on our mission and values, not the ability of someone to pay.

Value for Money

West London YMCA's approach to Value for Money is designed to ensure 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)

We achieved this during the year by retendering our mobile phone and internet contracts, by outsourcing our catering activities, by carrying out specific reviews of costs, by improving the services for the same cost and by bringing in additional funding to improve the services.

Financial review

The cessation of the Jupiter House management contract during the year coupled with redundancy costs associated with members of the Senior Management Team had an adverse impact on the financial results. Resultantly the surplus for the year was £52,326 which was £192,147 less than the surplus generated in the previous financial year (£244,473).

The principal funding sources are set out in note 3 to the accounts. 62% (2016: 62%) of our income came from rents & service charges, 25% (2016: 26%) from statutory sources and 13% (2016: 12%) from fees/other income.

Risk management

West London YMCA has a risk mapping process in place. The likelihood and impact of risks is assessed and action plans have been put in place to mitigate those risks which are considered to be most likely and have the highest impact.

The two highest risks facing the organisation are considered to be those of cash-flow and of changes in statutory funding or welfare benefits affecting the income we can use to provide services to young people. The controls over the cash-flow are monitoring processes, capital budgets, annual and long term forecasts and treasury management discussions at Finance subcommittee. The controls over the risks of changes in funding are advocacy for young people, strong relationships with commissioners and development of alternative business models.

Further details are contained in the Statement of Internal Control.

We have commissioned a revision to our Value for Money strategy and have taken account of the requirements and expectations of the regulatory code.

External influences

We have been monitoring the impact of Central Government policy on Public sector funding and welfare reform closely. We have also been monitoring the reaction of Local Authorities to austerity.

Jupiter House was an example of a risk that was realised in year. The scheme housed 120 young people and families. The landlord was Home Group but support was provided by YMCA under contract to Hillingdon Council. The council reevaluated its qualifying criteria for financial support and concluded that only 9 of the 120 residents met their new standard. They rehoused the 9 residents and terminated our contract giving three months' notice.

We have extensions to contracts with Ealing, Harrow and Hillingdon, but are aware that they are constantly under review and therefore constitute a risk.

The Finance subcommittee have focused on two further financial risks; being cash flow and bad debts. These are now standing items on the agenda of the Finance subcommittee. Cash flow is monitored on a weekly basis and bad debts are reviewed regularly, with action being taken to improve performance but raise awareness of the complexities of our client group and how this gives rise to bad debts.

WEST LONDON YMCA

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management is pleased to present the report and financial statements of West London YMCA for the year ended 31 March 2017.

Reference and administrative details

Charity name: West London YMCA
Charity registration number: 1058593
Company registration number: 3244611
Homes and Communities Agency number: H4128

Registered Office and principal address: 25 St Mary's Road, Ealing, London W5 5RE

President: Rt Revd Pete Broadbent, Bishop of Willesden
Honorary Life Vice President: Richard Hawkins

Directors

The directors of the West London YMCA (the charity) are its trustees for the purpose of charity law and are collectively referred to as the Board of Management (the Board). The members of the Board of Management during the year were as follows:

I R North (Chair)
J P Lazarus
B M Laryea
G C Lockhart
J M Kelly
A A Stadtmiller
D P S Morrow
L A Taylor (appointed 2 June 2016)
H Posner (appointed 29 September 2016)
D H Bedford (resigned 2 March 2017)

Senior Management Team

K J Lowry	Chief Executive
K B Macpherson	Director of Finance (resigned 10 March 2017)
R Parkinson	Director of Housing & Support (resigned 13 September 2016)
J Pickerill	Director of Children, Youth & Enterprise (resigned 9 September 2016)
J Adusei	Director of Operations / Deputy Chief Executive (appointed 6 February 2017)

Advisors

Bankers	Barclays Bank plc	Fleet Street Business Centre, 99 Hatton Garden, London, EC1N 8DN
Auditors	Grant Thornton UK LLP	Victoria House, 199 Avebury Boulevard, Milton Keynes, MK9 1AU
Solicitors	Carter Lemon Camerons LLP	10 Aldersgate Street, London, EC1A 4HJ

Objectives, Principal Activities and Public Benefit

Developing opportunities that transform young lives

YMCA West London is an inclusive and diverse Christian organisation, which welcomes people of all faiths and of none. All of our work derives from a desire to put Christian faith into action and extend the Kingdom of God through service to others.

The objectives for which YMCA West London is established as:

- (a) 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;
- (b) To provide, improve and manage (whether directly or in association with others) houses or hostels providing residential accommodation for young people and for any men or women in housing need;
- (c) To provide or assist in the provision in the interests 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;
- (d) The advancement of schooling and education for people of all ages but, without restricting the generality of the foregoing, particularly among young people, in any subject which will contribute towards the development of their physical, mental or spiritual capacities, by arranging courses, exhibitions, displays and by any other means by which such persons may grow to maturity and take their place in society;
- (e) To pursue any other charitable purpose in connection with the needs and development of young people, or otherwise, for the benefit of the community at large, and which is designed to extend God's Kingdom.

To achieve these objectives, the charity espouses the following mission statement:

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



WEST LONDON YMCA

REPORT OF THE BOARD OF MANAGEMENT

All our activities focus on transforming the lives of young people and are undertaken to fulfil the charitable objects for the public benefit. The major areas of activity are as follows.

Supported Housing: Provision of high quality supported accommodation, together with programmes to develop life skills, targeting young people and others in housing need. We support and accommodate people across West London in the boroughs of Ealing, Harrow, Hounslow and Hillingdon.

Youth and Children's programme work: A day nursery in Ealing. An Activities Programme, providing activities for children and young people including dance, gymnastics and judo. @fusion youth programmes providing support and activities to young people aged 11 – 25, including positive activities for young people in need.

The Board considers how planned activities will contribute to the charitable objects, vision and strategic priorities of the charity through a "vision and business case" process. The Board also reviews the vision and strategic priorities of the charity from time to time to ensure that they meet current needs and remain focused on the charity's stated purposes. In doing this the Board confirms that it has due regard to the Charity Commission's general guidance on public benefit.

Reserves Policy

The Board recognises the need to establish a level of general reserves that enables financial stability. In particular reserves are needed to meet working capital requirements, to cover short term fluctuations in income and expenditure, to enable West London YMCA to respond to unexpected needs or new opportunities, and to finance major repairs to our properties. These reserves are built up from operating surpluses in previous years.

The Pensions Reserve included within provisions, stands at £440,745 (2016: £503,219). This represents discounted amounts set aside to meet payments to the YMCA Pension & Assurance Plan towards its deficit. The only designated reserves are a small amount of £15,527 (2016: £15,257) set aside to be spent on projects, activities or equipment determined by young people plus a "Progression Fund" £9,184 (2016: £13,762) created to hold funds from corporate fundraising events and to purchase specific items that will contribute to our mission of "developing opportunities that transform young lives". Due to staff capacity, arrangements for young people to make decisions about spending from Youth Board Reserve were not in place during most of this year but further decisions about spending from this will be made by young people through a youth board or other decision mechanisms. In addition the charity is holding Restricted Funds totalling £55,272 (2016: £64,727) which have been given for a range of specific purposes, the majority to enable young people to develop in body, mind and spirit through programmes which cover healthy eating, lifestyles and emotional health.

Structure, Governance and Management

Governing document

West London YMCA is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association dated 13 October 2009. It is registered as a charity with the Charity Commission and as a Registered Housing Provider with the Homes and Communities Agency.

WEST LONDON YMCA

REPORT OF THE BOARD OF MANAGEMENT

Recruitment and appointment of the Board of Management

The directors of the company form the Board of Management of West London YMCA and are responsible for the governance of West London YMCA. The directors in service in the year are set out on page 4. The Board has a minimum of five and a maximum of 18 members. As set out in the company's Articles the members of the Board of Management are appointed by and from the corporate members in general meeting. Between general meetings the Board may appoint additional members. Board members must be over the age of sixteen. At least three quarters of the Board must have been a corporate member for six months prior to election, with up to one quarter being beneficiaries who need not satisfy the requirement to be a corporate member.

Board members retire after three years' service. A retiring Board member is eligible for re-election unless she or he has served a continuous period of nine or more years.

New Board members are recruited through selective advertising including matching schemes, church and website advertising. Board members are selected through completion of a skills audit which is matched with existing skills gaps on the Board.

Board member induction and training

West London YMCA has developed an induction programme for new Board members intended to familiarise them with the work of the charity, the context in which it operates, and their responsibilities as Board members. Board meetings are held at different sites when possible and incorporate presentations on aspects of the work. Board members are notified of and encouraged to attend relevant and appropriate external and internal training events.

Organisation

The Board meets every six weeks. There are currently three subcommittees: Finance, Services and Amalgamation. Other time limited working groups are appointed from time to time.

The Board has adopted and complies in all material respects with the National Housing Federation Code of Governance 2012.

A Chief Executive is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations the Chief Executive and Senior Management Team have delegated authority, within a delegated authorities framework approved by the Board, for operational matters including finance and employment.

Related parties

West London YMCA has one subsidiary trading company which has its own independent Board of Directors appointed by West London YMCA. The company was dormant throughout the year.

West London YMCA is part of the worldwide YMCA movement and the YMCA Federation in England, and is affiliated to the National Council of Young Men's Christian Associations in England and through them to the World Council of YMCAs. West London YMCA receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs.

West London YMCA actively co-operates and works in partnership with other organisations in pursuit of its charitable objectives.

Going concern

The organisation's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Review. The organisation also has a long-term business plan which projects that the organisation's finances will be robust going forward.

The organisation has a number of contracts to deliver Supporting People services with the London Boroughs of Ealing, Hillingdon and Harrow.

The contracts with the London Borough of Ealing for the services provided at the Ealing Common, Hanwell and Northolt Grange projects expire on 31 March 2019. Whereas the contracts for services provided at the Greenford and Roxeth Gate projects expire on 31 March 2018.

The contracts for the provision of Supporting People services with the London Borough of Hillingdon expired on 30 September 2016. Whilst the London Borough of Hillingdon have communicated their intention to extend these contracts this has not yet been documented. Contract extensions are expected to be formalised during the following financial year.

The contracts with the London Borough of Harrow expire on 31 March 2018.

On this basis, the board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Other information

Disabled employees

The Association has policies in place regarding the employment of disabled staff. These policies are designed to ensure that no current or potential member of staff is disadvantaged due to disability and that all members of staff have equal access to training, career development and promotion.

Employee consultation

The Association acknowledges the importance of staff communications and involving staff in decisions that directly affect them and their work. A representative staff forum is in place, acting as a formal consultation body. A number of other policies, procedures and activities are in place to support decision-making and communications, including: full staff meetings, managers' conferences, team and individual meetings, staff participation in decision making as it affects terms of employment and strategy, staff surveys, intranet discussion forum.

Disclosure of information to auditors

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

WEST LONDON YMCA

REPORT OF THE BOARD OF MANAGEMENT

Auditors

A resolution proposing the appointment of Grant Thornton UK LLP will be put to the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



K J Lowry
Secretary

14 September 2017

STATEMENT OF THE RESPONSIBILITIES OF THE BOARD FOR THE REPORT AND FINANCIAL STATEMENTS

The Board is responsible for preparing the Strategic Report and Report of the Board of Management and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2010 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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. 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF INTERNAL CONTROL

The Board of Management has overall responsibility for establishing and maintaining the charity's system of internal control and for reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance against financial misstatement or loss or eliminate all risk. The system of internal controls is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

The Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Association. This approach has operated throughout the year under review up to and including the date of approval of the annual report and accounts.

The process adopted by the Board to review the effectiveness of the system of internal control, together with some of the key elements of the control framework that the Board has established includes:

- Identification and evaluation of key risks: key risks are included in all departmental reports to the Board. The Board regularly considers a summary update of the key risks;
- the adoption of a Strategic Plan and Annual Plan setting out strategic and operational objectives;
- the operation of a comprehensive budgeting system and the regular review of financial performance by management, by the Finance Committee (a subcommittee of the Board) and by the full Board;
- the regular review of key performance indicators by management, Board subcommittees and the full Board; this includes a regular review of the Fraud Register.
- The formal appraisal by the Board of the business case for new opportunities.
- A framework of policies and procedures with which employees must comply. The Board has adopted, amongst others, policies covering financial and accounting procedures, authorisation of transactions, health and safety, protection of children and vulnerable adults, asset management, equality and diversity, employment and training. Additionally, there is a current strategy and an up-to-date policy on fraud covering prevention, detection and reporting of fraud, whistleblowing, and the recovery of assets.

The Board confirms that there have been no regulatory concerns that have led the Homes and Communities Agency to intervene, nor any significant failures of internal controls that require disclosure in the financial statements.

We have audited the financial statements of West London YMCA for the year ended 31 March 2017 which comprise Statement of Comprehensive Income, Statement of Changes in Reserves, the Statement of Financial Position, 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 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 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.

Respective responsibilities of the board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 10, the board is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Board of Management for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Board of Management have been prepared in accordance with applicable legal requirements.

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Board of Management.

WEST LONDON YMCA

AUDITORS' REPORT TO THE MEMBERS OF WEST LONDON YMCA

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 directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Laura Brierley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes
21 September 2017

WEST LONDON YMCA

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	3	6,735,387	6,668,768
Operating expenditure	3	(6,420,115)	(6,150,903)
Operating surplus	5	315,272	517,865
Interest receivable		427	616
Interest and financing costs	10	(263,373)	(274,008)
Surplus on ordinary activities before valuation movements and taxation		52,326	244,473
Tax on surplus on ordinary activities	6	—	—
Surplus for the year		52,326	244,473

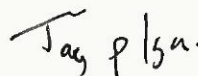
The results relate wholly to continuing activities.

The company has no recognised gains or losses other than the results for the year as set out above.

Approved by the Directors on 14 September 2017 and signed on their behalf by:



I R North



J P Lazarus

The accompanying notes form part of these financial statements.

WEST LONDON YMCA

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2017

	Revaluation reserve £	Designated funds £	Restricted funds £	Revenue reserve £	Total £
Balance as at 1 April 2015	11,809,569	23,253	80,570	4,736,684	16,650,076
Surplus for the year	-	-	-	244,473	244,473
Transfer to designated funds	-	5,766	-	(5,766)	-
Transfer from restricted funds	-	-	(15,843)	15,843	-
Balance as at 31 March 2016	11,809,569	29,019	64,727	4,991,234	16,894,549
Surplus for the year	-	-	-	52,326	52,326
Transfer from designated funds	-	(4,578)	-	4,578	-
Transfer from restricted funds	-	-	(9,455)	9,455	-
Balance as at 31 March 2017	11,809,569	24,441	55,272	5,057,593	16,946,875

The accompanying notes form part of these financial statements.

WEST LONDON YMCA

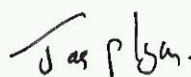
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Housing properties at valuation	12		38,851,014		39,334,830
Other property	12		844,140		847,877
Other tangible assets	13		116,012		94,646
Total tangible fixed assets			39,811,166		40,277,353
Investments	14		3		3
			39,811,169		40,277,356
Current assets					
Stocks	15	7,143		7,970	
Debtors	16	675,239		463,752	
Cash at bank and on deposit		100,211		78,380	
			782,593	550,102	
Creditors: amounts falling due within one year	17	1,349,624		1,201,485	
Net current liabilities			(567,031)		(651,383)
Total assets less current liabilities			39,244,138		39,625,973
Creditors: amounts falling due after more than one year	18		21,856,518		22,228,205
Provision for liabilities					
Pension provision	19		440,745		503,219
Total net assets			16,946,875		16,894,549
Capital and reserves					
Housing property revaluation reserve		11,809,569		11,809,569	
Designated funds	20	24,441		29,019	
Restricted funds	21	55,272		64,727	
Revenue reserve		5,057,593		4,991,234	
			16,946,875		16,894,549

Approved by the Directors on 14 September 2017 and signed on their behalf by:



I R North
Company Number: 3244611



J P Lazarus

The accompanying notes form part of these financial statements.

WEST LONDON YMCA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2017 £	2016 £	2016 £
Net cash generated from operating activities	27		556,985		919,710
Cash flows from investing activities					
Acquisition and construction of properties	12	(49,971)		(368,280)	
Acquisition of other tangible assets	13	(60,959)		(15,403)	
Release of balances previously retained	12	99,930		-	
Interest received		427		616	
Net cash from investing activities			(10,573)		(383,067)
Cash flows from financing activities					
Repayment of bank loans		(261,208)		(224,985)	
Interest paid	10	(263,373)		(274,008)	
Net cash used in financing activities			(524,581)		(498,993)
Net change in cash and cash equivalents			21,831		37,650
Opening cash and cash equivalents			78,380		40,730
Closing cash and cash equivalents			100,211		78,380

The accompanying notes form part of these financial statements.

1 ACCOUNTING POLICIES

Legal status

The company is registered under the Companies Act 2006 and is a registered housing provider.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

The financial statements are presented in Sterling (£).

A true and fair override of the Companies Act 2006 has been made in respect of the treatment of capital grants. Further detail as to the reasons for this are provided below.

Public Benefit Entity

West London YMCA is a Public Benefit Entity, as defined within FRS 102 as "an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members."

Going concern

The organisation's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Review. The organisation also has a long-term business plan which projects that the organisation's finances will be robust going forward.

The organisation has a number of contracts to deliver Supporting People services with the London Boroughs of Ealing, Hillingdon and Harrow.

The contracts with the London Borough of Ealing for the services provided at the Ealing Common, Hanwell and Northolt Grange projects expire on 31 March 2019. Whereas the contracts for services provided at the Greenford and Roxeth Gate projects expire on 31 March 2018.

The contracts for the provision of Supporting People services with the London Borough of Hillingdon expired on 30 September 2016. Whilst the London Borough of Hillingdon have communicated their intention to extend these contracts this has not yet been documented. Contract extensions are expected to be formalised during the following financial year.

The contracts with the London Borough of Harrow expire on 31 March 2018.

On this basis, the board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Capitalisation of property development costs

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the assets conditions whether changes indicate that impairment is required. The total amount capitalised in the year was £49,971.

Supporting people

Management judgement is applied in determining the extent to which the risks and benefits are transferred to the association when considering the income to be recognised. £1,681,723 of supporting people income was recognised in the year.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Valuation of housing properties

Management reviews its valuation of housing properties at each reporting date, based on either formal valuation reports or an update to those reports based on market conditions and other changes to assumptions. Uncertainties in these estimates relate to the discount rate, the cost of property maintenance and future cash flows. Valued properties totalled £21,500,000 at the year end.

Useful life of depreciated assets

Management reviews its estimates of useful lives of depreciable assets at each reporting date, based on the expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2017 was £2,496,045.

Consolidation

The company has a dormant immaterial subsidiary and therefore group financial statements have not been prepared. Accordingly, these financial statements present information about the company as a single undertaking.

Turnover and revenue recognition

Rental and ancillary income: this is recognised net of VAT on the basis of when the service was provided to the resident.

Grants and donations: all grants subject to restriction are recognised in the year of receipt, whilst unrestricted grants (including Supporting People) are recognised as they fall due under the contractual arrangements with Administering Authorities. Donations are recognised when received.

Tangible fixed assets – Properties

Housing properties are principally properties available for rent.

Housing properties are valued on an Existing Use Value for Social Housing (EUV-SH) basis. Properties are revalued quinquennially, with an interim valuation in year three. Properties acquired in between valuations are included at cost. Non-housing property is valued at open market value. The historic cost of properties includes the following:

- (i) Cost of acquiring land and buildings
- (ii) Development expenditure
- (iii) Interest charged on the development loans raised to finance the scheme.

Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

Items with an invoice value of less than £2,500 are not capitalised.

Property transferred to the charity at a sub-market price by non-public bodies is recognised when the assets are functionally complete and the association is entitled to take possession. Property transferred is recognised at current value when received and the difference between the value and the costs incurred in acquiring are recognised as income.

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Intangible Fixed Assets – Computer Software

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight line basis:

Land	Nil
Buildings – superstructure	99 years
Multi- car park	50 years
Roof	50 years
Restaurant	50 years
Bathrooms	30 years
Lift	30 years
Windows	30 years
Heating system	30 years
Kitchens	20 years
Door entry system	20 years
Furniture and equipment	3-20 years
Motor vehicles	3 years

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Impairment

Housing properties, including those with individual components, which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the net realisable value or the value in use to the association. Any such write down is charged to operating surplus.

Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of social housing grant (SHG) received in advance; or
- b) a fair amount of interest on borrowings of the association as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

Financial instruments

All the financial instruments held by the association during the year meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 and are accounted for under an amortised cost model.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at market rate.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank, local authority and other loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortized cost using the effective interest method.

Pension

West London 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 West London YMCA for the purposes of FRS 102 disclosure. The employer contributions in relation to the YMCA pension plan are determined by the Directors based on advice from a qualified actuary and charged to income and expenditure as made.

Contributions payable from West London YMCA to the plan under the terms of its funding agreement for past deficits are recognised as a provision in West London YMCA's financial statements. The provision is calculated based on discounted expected future payments.

Operating lease rentals

Rentals under operating leases are charged to the income and expenditure account as incurred.

Value Added Tax

The company charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The Statement of Comprehensive Income includes VAT to the extent that it is suffered by the company and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Reserves

The company establishes *restricted reserves* for specific purposes where their use is subject to external restrictions and *designated reserves* where reserves are earmarked by the directors for a particular purpose.

Revaluation reserve

The difference between the carrying valuation of fixed asset investments and the historical cost carrying value is credited to the *revaluation reserve*.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Social Housing Grant

Social housing grant (SHG) is receivable from the Greater London Authority (GLA) and it is recognized as revenue on completion of the property. SHG received in respect of revenue expenditure is credited to the Statement of Comprehensive income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by the GLA. SHG released on sale of a property may be repayable but it is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Other grants

Other grants are receivable from local authorities and other organisations. A grant which does not impose specific future performance conditions is recognized in revenue when the grant proceeds are received or receivable. A grant that imposes specific future performance – related conditions on the association is recognized only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognized as a liability.

WEST LONDON YMCA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2 HOUSING UNITS UNDER MANAGEMENT

The number of units of housing accommodation being managed by the charity is as follows:

	2017 No	2016 No
Supported housing	387	387
Keyworker accommodation	1	1
	388	388

3 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2017 Turnover	2017 Operating costs	2017 Operating surplus	2016 Turnover	2016 Operating costs	2016 Operating surplus
	£	£	£	£	£	£
Social housing lettings (note 4)	4,182,478	3,588,739	593,739	4,170,185	3,326,698	843,487
Other social housing activities						
Supporting people	1,681,723	1,701,914	(20,191)	1,725,569	1,756,300	(30,731)
Non-social housing activities:						
Other	871,186	1,129,462	(258,276)	773,014	1,067,905	(294,891)
	6,735,387	6,420,115	315,272	6,668,768	6,150,903	517,865

4 PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Supported housing £	Keyworker accommodation £	Total 2017 £	Total 2016 £
Rent receivable net of identifiable service charges	3,217,244	6,237	3,223,481	3,183,066
Service charge income	672,931	1,802	674,733	678,206
Deferred Capital Grant released to income and other revenue grants	284,264	—	284,264	308,913
Turnover from social housing lettings	4,174,439	8,039	4,182,478	4,170,185
Management	1,853,313	2,421	1,855,734	1,751,529
Service charge costs	522,491	1,314	523,805	409,105
Routine maintenance	574,552	972	575,524	605,921
Bad debts	181,437	—	181,437	179,713
Depreciation of housing properties	452,239	—	452,239	380,700
Operating costs on social housing lettings	3,584,032	4,707	3,588,739	3,326,698
Operating surplus on social housing lettings	590,407	3,332	593,739	843,487
Void losses	190,340	—	190,340	152,071

WEST LONDON YMCA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5 OPERATING SURPLUS/(DEFICIT)

	2017 £	2016 £
This is stated after charging:		
Operating leases (note 23)	22,817	26,100
Auditor's remuneration (excluding VAT) – for audit services	16,850	19,850
Auditor's remuneration (excluding VAT) – for non-audit services	1,885	3,921
Depreciation	477,187	406,332

6 TAXATION

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

7 BOARD MEMBERS AND EXECUTIVE DIRECTORS

The non-executive directors of the charitable company are its trustees for the purpose of charity law and are collectively referred to as the Board of Management ('the Board'). None of the Board (for company law purposes) received any remuneration in the year. Expenses reimbursed to three of the Board members totalled £3,881 (2016: £2,917).

8 EMPLOYEES' COSTS

	2017 £	2016 £
Wages and salaries	3,102,974	3,208,938
Social security costs	249,791	259,375
Other pension costs	65,808	105,848
	3,418,573	3,574,161

The average monthly number of persons employed during the year was 163 (2016: 176). The association's employees are members of the YMCA Pension plan. Further information is given in note 9.

The average monthly number of persons employed on a full-time equivalents basis during the year was 113 (2016: 121). This basis has been calculated using 35 hours per week as the full-time equivalent.

The emoluments of the highest paid employee during the year were £73,821 excluding pension contributions (2016: £82,161). Contributions made to the highest paid employee's pension were £2,154 (2016: £6,353). No other employee received emoluments exceeding £60,000 (2016: one other employee received emoluments exceeding £60,000). Further details of pension arrangements are given in note 9.

Key management personnel

The aggregate remuneration for key management personnel charged in the year is:

	2017 £	2016 £
Basic salary	180,605	232,195
Benefits in kind	108	177
Pension contributions	3,993	15,197
Employers NIC	13,474	28,067
	198,180	275,636

8 EMPLOYEES' COSTS (continued)

During the year, two key management personnel received compensation for loss of office totalling £36,790 (2016: £nil). The emoluments of the highest paid director, the Director of Housing & Support, excluding pension contributions, were £73,821 (2016: the Chief Executive emoluments were £82,161).

9 PENSION SCHEME ARRANGEMENTS

The most recent completed three year valuation was as at 1 May 2014. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 5.35% and 3.85% respectively, the increase in pensions in payment of 3.3%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.6 years, female 24.6 years, and 24.8 years for a male pensioner, female 26.9 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £90.8m. This represented 70% of the benefits that had accrued to members.

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to West London YMCA and accordingly the pension deficit is not shown on the Statement of Financial Position.

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

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. West London YMCA has been advised that it will need to make monthly contributions of £4,922 from 1 May 2015. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 12 years commencing 1 May 2015. The amount paid during the current year was £43,321 (2016: £48,561).

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

Pensions Group Personal Pension Plan

West London YMCA also operates a defined contribution pension scheme for the majority of its employees. The assets of this scheme are also held separately from those of the company and contributions are charged to the income and expenditure as they fall due. The combined pension charge of both schemes is shown in note 8.

10 INTEREST PAYABLE AND SIMILAR CHARGES

	2017	2016
	£	£
Loans and bank overdrafts	263,373	274,008

WEST LONDON YMCA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

11 Intangible assets

	2017 Computer Software £	2016 Computer Software £
Cost		
1 April 2016	169,347	169,347
Balance at 31 March 2017	169,347	169,347
Depreciation		
1 April 2016	169,347	169,347
Charge for the year	-	-
Balance at 31 March 2017	169,347	169,347
Net Book Value		
At 31 March 2017	-	-
At 31 March 2016	-	-

12 TANGIBLE FIXED ASSETS – Properties

	Housing property			Other property	
	Long Leasehold £	Freehold £	Total for housing property £	Freehold £	Total Properties £
Valuation					
At 1 April 2016	23,264,198	18,097,219	41,361,417	879,741	42,241,158
Additions	49,971	-	49,971	-	49,971
Disposal	(99,930)	-	(99,930)	-	(99,930)
At 31 March 2017	23,214,239	18,097,219	41,311,458	879,741	42,191,199
Depreciation					
At 1 April 2016	1,392,438	634,149	2,026,587	31,864	2,058,451
Charge for the year	317,563	116,294	433,857	3,737	437,594
Release on disposal	-	-	-	-	-
At 31 March 2017	1,710,001	750,443	2,460,444	35,601	2,496,045
Net book value					
At 31 March 2017	21,504,238	17,346,776	38,851,014	844,140	39,695,154
At 31 March 2016	21,871,760	17,463,070	39,334,830	847,877	40,182,707

WEST LONDON YMCANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**12 TANGIBLE FIXED ASSETS - Housing properties** (continued)

Works to the housing properties have been treated as follows:	2017 £	2016 £
Capitalised	49,971	311,126
Charged to the income and expenditure account	-	-
	49,971	311,126

Property	Date of Valuation	Surveyor	Valuation £
Long leasehold:			
South Ealing	March 2015	Jones Lang LaSalle IP Inc	7,500,000
Northolt	March 2015	Jones Lang LaSalle IP Inc	550,000
Roxeth Gate	March 2015	Jones Lang LaSalle IP Inc	2,210,000
Uxbridge	March 2015	Jones Lang LaSalle IP Inc	1,440,000
Freehold property:			
Greenford	March 2015	Jones Lang LaSalle IP Inc	810,000
Ealing Common	March 2015	Jones Lang LaSalle IP Inc	1,510,000
Ventura House, Hayes	March 2015	Jones Lang LaSalle IP Inc	4,170,000
Hanwell	March 2015	Jones Lang LaSalle IP Inc	3,310,000

All housing properties which have been revalued were valued on an Existing Use Value for Social Housing basis and in accordance with the RICS Appraisal and Valuation Standards. The key assumptions used in the valuation are the discount rate of 6.75% for supported properties, with the exception of South Ealing which has a remaining lease term of 64 years and an adopted discount rate of 7.50%, the rate of rent increases of CPI + 1.0% and total losses from voids and bad debts of 5.5% of available rent.

12 TANGIBLE FIXED ASSETS - Properties (continued)

The carrying value of properties that would have been included in the financial statements had the assets been carried at historical cost less depreciation is as follows:

	Housing property		Other property	
	Long Leasehold	Freehold	Freehold	Total Properties
	£	£	£	£
Cost				
At 1 April 2016	16,488,825	13,063,026	879,741	30,431,592
Additions	49,971	-	-	49,971
Disposals	(99,930)	-	-	(99,930)
Transfers	-	-	-	-
At 31 March 2017	16,438,866	13,063,026	879,741	30,381,633
Depreciation				
At 1 April 2016	1,392,438	634,149	31,864	2,058,451
Charge for the year	317,563	116,294	3,737	437,594
Release on disposal	-	-	-	-
At 31 March 2017	1,710,001	750,443	35,601	2,496,045
Net book value				
At 31 March 2017	14,728,865	12,312,583	844,140	27,885,588
At 31 March 2016	15,096,387	12,428,877	847,877	28,373,141

WEST LONDON YMCA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

13 TANGIBLE FIXED ASSETS – Other fixed assets

	Furniture and equipment	Motor vehicles	Total non- properties
	£	£	£
Cost			
At 1 April 2016	829,353	27,248	856,601
Additions	60,959	-	60,959
At 31 March 2017	890,312	27,248	917,560
Depreciation			
At 1 April 2016	734,707	27,248	761,955
Charge for the year	39,593	-	39,593
At 31 March 2017	774,300	27,248	801,548
Net book value			
At 31 March 2017	116,012	-	116,012
At 31 March 2016	94,646	-	94,646

14 FIXED ASSET INVESTMENTS

	2017 £	2016 £
As at 1 April 2016 and 31 March 2017	3	3

The Association has a wholly-owned subsidiary, West London YMCA Trading Ltd., incorporated in England and Wales. During the year this company was dormant. The company had net assets at the year-end of £nil.

15 STOCKS

	2017 £	2016 £
Consumable items	7,143	7,970

16 DEBTORS

	2017 £	2016 £
Rent and service charge arrears	773,304	560,499
Provision for bad debts	(273,338)	(194,097)
	499,966	366,402
Other debtors	124,261	71,609
Prepayments	51,012	25,741
	675,239	463,752

WEST LONDON YMCA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17 **CREDITORS:** Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts (secured see note 18)	225,508	259,616
Trade creditors	556,154	417,480
Deferred income	18,168	36,334
Other creditors	134,197	236,230
Accruals	232,506	184,132
Finance leases	40,637	-
Taxation and social security	142,454	67,693
	<u>1,349,624</u>	<u>1,201,485</u>

18 **CREDITORS:** Amounts falling due after more than one year

	2017 £	2016 £
Mortgage (secured see below)	4,746,340	4,971,666
Housing property finance	307,340	309,114
Social Housing Grants deferred (see note 24)	15,751,757	15,916,665
Other housing grants deferred (see note 24)	1,030,760	1,030,760
Finance leases	20,321	-
	<u>21,856,518</u>	<u>22,228,205</u>

The mortgage is secured by a fixed charge on the leasehold housing property, a fixed charge on the rental income arising thereon, and a floating charge over all of the charity's assets and undertakings, except the non-housing freehold property. The capital element is repayable in instalments over 20 years starting on 28 September 2011. Interest is charged at various rates with a weighted average of 4.19% (2016: 4.19%) at the year-end and £3,708,602 (2016: £4,000,040) is due after more than five years.

The housing property finance is secured by a first charge on certain freehold housing properties. It is repayable in instalments with 31 years to run. It bears interest at 10.875% (2016: 10.875%) and £295,007 (2016: £300,733) is due after more than five years.

	2017 £	2016 £
Debt analysis		
Within one year or on demand	225,508	211,062
One year or more but less than two years	239,149	223,815
Two years or more but less than five years	810,922	756,192
Five years or more	4,003,609	4,300,773
	<u>5,279,188</u>	<u>5,491,842</u>

WEST LONDON YMCA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

19 PROVISIONS FOR LIABILITIES

	Pension Provision £
At 1 April 2016	503,219
Reversals during the year	(62,474)
At 31 March 2017	440,745

The Pension Provision represents the amounts set aside to meet payments to the YMCA Pension & Assurance Plan towards its deficit (note 9) and is included under provisions for liabilities within the Statement of Financial Position. The provision will be adjusted following the next due valuation of the pension scheme, that is in 2017.

20 DESIGNATED FUNDS

	At 1 April 2016 £	Designated in the year £	At 31 March 2017 £
Youth Board Reserve	15,257	-	15,257
Progression Fund	13,762	(4,578)	9,184
	<u>29,019</u>	<u>(4,578)</u>	<u>24,441</u>

The Youth Board Reserve represents amounts set aside to be spent on projects, activities or equipment determined by young people.

The Progression Fund was created to hold funds from corporate fundraising events to purchase specific items that will contribute to our mission of "developing opportunities that transform young lives".

21 RESTRICTED FUNDS

	At 1 April 2016 £	Incoming resources £	Resource expenditure £	At 31 March 2017 £
Jack Petchey Fund	11,650	16,193	(21,014)	6,829
Pregnancy & Parenthood Fund	2,795	-	(2,500)	295
Youth Opportunity Fund	314	-	(314)	-
Foyer Health Fund	48,336	-	(1,820)	46,516
Profile of Achievement	1,632	-	-	1,632
	<u>64,727</u>	<u>16,193</u>	<u>(25,648)</u>	<u>55,272</u>

The Jack Petchey Fund funds Achievement Awards for young people.

The Pregnancy and Parenthood Fund funds ICT training for young parents and mothers-to-be.

The Foyer Health Fund funds activities to enable young people to develop in body mind and spirit through programmes which cover healthy eating, lifestyles and emotional health.

The Profile of Achievement Fund and Youth Opportunities Fund both fund life skills programmes for young people.

22 CAPITAL COMMITMENTS

At the year end the Directors had approved plans for the following aggregated amounts of capital expenditure not yet contracted for £nil (2016: nil)

23 OPERATING LEASE COMMITMENTS

The future minimum lease payments of the lease are as set out below. The lease relates to the office photocopier.

	2017	2016
	£	£
Within one year	9,304	22,340
Within one year	13,513	-
Total	22,817	22,340

24 SOCIAL HOUSING GRANT AND OTHER CAPITAL GRANTS DEFERRED

The Social Housing Grants are repayable under certain circumstances (for example the sale of the properties). The total accumulated amount of Social Housing Grant and other capital grants received and released to income is as follows:

	2017	2016
	£	£
Social Housing Grants	15,916,665	16,088,037
Other Capital Grants	1,030,760	1,030,760
Released to income	(164,908)	(171,372)
	16,782,517	16,947,425

25 SHARE CAPITAL

The company is limited by guarantee and therefore has no share capital. Each member (see numbers below) agrees to contribute £1 in the event of the company winding up.

	2017	2016
	No	No
At 1 April 2016	33	41
Movement during the year	-	(8)
At 31 March 2017	33	33

26 RELATED PARTIES

There have been no related parties transactions in the year.

**27 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW
FROM OPERATING ACTIVITIES**

	Note	2017 £	2016 £
Surplus on operating activities before interest		315,272	517,865
Depreciation charges	12/13	477,187	406,332
SHG grant released to income	24	(164,908)	(171,372)
Decrease in provisions	19	(62,474)	(29,264)
Decrease/(Increase) in stocks	15	827	(2,025)
(Increase)/decrease in debtors	16	(211,487)	538,396
Increase/(decrease) in creditors	17/18	202,568	(340,222)
Net cash inflow from operating activities		<u>556,985</u>	<u>919,710</u>

28 FINANCIAL ASSETS AND LIABILITIES

The board policy on financial instruments is explained in the Board Report as are references to financial risks.

Financial assets

The only financial assets at the year-end were short-term debtors and cash at bank which are measured at amortised cost. As follows:

	2017 £	2016 £
Trade debtors	773,304	560,499
Other debtors	124,262	71,609
Cash at bank and on deposit	100,211	78,380

Financial liabilities

Financial liabilities are measured at amortised cost and comprise of principal and interest due on bank loans, trade and other creditors:

	2017 £	2016 £
Trade creditors	556,154	417,480
Other creditors	134,198	236,230
Bank loans measured at amortised cost	5,279,188	5,491,842
Finance leases	60,959	-

29 POST BALANCE SHEET EVENTS

There are no material post balance sheet events.