

**BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**  
(Trading as Bridgwater YMCA and YMCA Somerset Coast)

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2017**

# **BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**

(Homes and Communities Agency registered no. 03746771, registered charity no. 1076434)

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## **REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 March 2017

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## **CONTENTS**

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	Page
Reference and administrative details	1-2
Trustees' report	3-12
Independent auditors' report	13-15
Statement of comprehensive income	16
Balance sheet	17
Statement of change in reserves	18
Statement of cash flows	19
Notes to the financial statements	20-34

## BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

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### REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2017

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<b>Other Trading Names</b>	Bridgwater YMCA YMCA Somerset Coast	
<b>Trustees and Directors</b>		
Chairman	John Ennals	
President	Arthur Leigh	
Vice Chairman	Jon Clarey	
Treasurer	Graham Carne	(Resigned 27/08/16)
	Darren Clayton	(Resigned 26/04/17)
	David Cockcroft	
	Pat Collins	(Resigned 26/04/17)
	Stewart Collins	(Resigned 28/09/16)
	David Eccles	
	Jason Hobday	
	Alastair Matthews	
	Jane Moreton	(Resigned 27/08/16)
	John Ford	(Appointed 28/09/16)
	Janet Keen	(Appointed 26/04/17)
<b>Company Secretary</b>	Martin Hodgson	
<b>Senior Management Team</b>		
	Martin Hodgson	Chief Executive
	Andrew Pearce	Strategic Housing Manager
	Kevin Lilwall	North Somerset Operations Director
	Georgina Jones	Sedgemoor Operations Director
	Dave Jackson	West Somerset Operations Director
	Ruth Cuthbert	Business and Finance Director
<b>Company Registration Number</b>	03746771	
<b>Registered Charity Number</b>	1076434	
<b>Registered Social Landlord Number</b>	H4245	
<b>Ofsted Registration</b>	Barley Wood Nursery ET489024	
<b>Registered office and place of business</b>	George Williams Centre Friarn Avenue Bridgwater Somerset TA6 3RF	
<b>Auditors</b>	MHA Monahans Chartered Accountants Fortescue House Court Street Trowbridge BA14 8FA	

## BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

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### REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2017

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#### **Solicitors**

Tozers  
Broadwalk House  
Southernhay West  
Exeter  
EX1 1UA

#### **Bankers**

Lloyds TSB Plc  
25 Cornhill  
Bridgwater  
Somerset

The Charity Bank Limited  
194 High Street  
Tonbridge  
Kent

Allied Irish Bank  
Bristol  
19 Whiteladies Road  
Clifton  
Bristol

### **TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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The Board of Directors of Bridgwater YMCA, who also act as the trustees of the charitable company, present their report, including a Strategic Report, and the financial statements of the association for the year ended 31 March 2017.

The association is a private registered provider of social housing and an incorporated charity registered in the UK. The term director and trustee are used interchangeably within the report, which combines a Trustees Report and Report of the Board of Directors.

#### **Review of activities, developments and achievements**

The principal activities of the association are the provision of supported housing for young people, and hostel accommodation for homeless families; along with this the association provides a wide range of Youth Club, Youth Training, Social Enterprise and recreation facilities.

#### **Objectives and activities**

The objects of Bridgwater YMCA are as follows:

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

During 2016/17 the board continued to review the Vision and Mission for the next five years. This was completed in line with the new brand and vision adopted by YMCA England.

The YMCA Federation Strategic Plan (FSP) defines the federal Vision, Mission, Work Areas, Aims, Values and Ethos. These are summarised under the heading "Better Together", emphasising that the Federation as a whole will be stronger, more influential and better able to fulfil the needs of local communities if all member YMCAs follow the FSP and convey consistent messages. These are articulated through the national YMCA branding.

#### **1. Mission Statement**

Together, the YMCA Federation in England shares a common goal: to create supportive, inclusive and energising communities where young people can truly belong, contribute and thrive.

**TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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**2. Strategic Aims**

The Board has compiled a list of high-level strategic aims for Bridgwater YMCA, consistent with the FSP.

Under each heading a series of SMART strategic objectives will be created by the Senior Management Team to form the basis of the rolling 5-year business plan. These will also provide the CEO's personal targets.

1. Develop and maintain productive working partnerships with other YMCAs and young people's agencies.
2. Identify and fill gaps in community provision and the wellbeing of individuals in our strategic Work Areas
3. Make Bridgwater YMCA self-sustaining.
4. Seek opportunities to deliver skills, training, learning and physical exercise.
5. Establish a framework for client participation.
6. Build a network of patrons/advocates to champion Bridgwater YMCA's objectives.

**Vision**

An inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

**How we help**

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.

**Work Areas**

We work across four key areas, with a fifth – support and advice – running through them all.

*Health & Wellbeing* “We believe that everyone should be able to enjoy the benefits of physical exercise, from improved health to better education and life chances.”

*Training & Education* “We believe that every young person should be able to fulfil their full potential.”

*Family Working* “We believe every family should have the support they need to develop and lead more fulfilling lives.”

*Accommodation* “We believe that every young person should have a safe place to stay.”

*Support and Advice* “We believe that every young person should have someone they can trust.”

**Aims**

INCREASING OUR IMPACT - We will help more young people in more communities.

EXTENDING OUR INFLUENCE - We will publicly champion the interests of young people in society.

WORKING TOGETHER BETTER - We will deliver a shared vision in a spirit of trust, respect and partnership.

SHAPING THE FUTURE - We will develop a business model that ensures our long-term future.

**Values & Ethos**

We Seek Out, we Welcome, we Inspire, we Speak out, we Serve Others.

**TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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Bridgwater YMCA programmes consist of:

- Housing and Support for young people aged 16-25.
- Move on Accommodation for young people aged 16-25.
- Emergency Hostel Accommodation for Families.
- Homelessness Prevention, Advice and Guidance.
- Community facilities for school, community groups and individuals.
- Outdoor Activities for school, community groups and individuals.
- Day Camps for children and young people.
- Youth work and Positive Activities for young people.
- Training, work experience and apprenticeships.
- Nursery Provision for Children 3 months to 5 years.
- Social Enterprise activities including Training Hotel and Community Meeting and Wedding Venue.
- Volunteer recruitment and development programmes.

Public Benefit

The Trustees confirm that the main activities of Bridgwater YMCA are undertaken to further the charity's purposes for the public benefit and that they have had due regard to the guidance published by the Charity Commission on Public Benefit.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

The Trustees and senior staff team have continued to review and implement new policies during the course of the year, and have monitored performance through KPI's in financial and non-financial terms.

Programme

Programme delivery including youth work, fitness and outdoor activities continued to increase throughout this year. The result of this move is shown in the significant financial improvement for services within this area. During 2016/17 we met and exceeded all KPI targets set by our funders (over 10,000 young people used our facilities during this year). This has provided the encouragement for the team to develop new and innovative programme opportunities.

An example of this is our early years provision in North Somerset from Barley Wood. The first early years setting created and delivered by Bridgwater Young Men's Christian Association, a sixty place nursery providing wrap around care for ages 3 months to 5 years. The nursery is co-located with our newest social enterprise, through converting an 16<sup>th</sup> Century Manor House into a vibrant community meeting space and wedding venue with accommodation. This enterprise has created 6 new apprenticeships across a range of disciplines.

The Beach Hotel in Minehead is now in its third year of operation and has since its inception provided 38 new apprenticeships in professional cookery, hospitality and housekeeping. Whilst making this provision the levels of customer service are high, evidence in our ranking as the most popular hotel in the region.

We have continued during the year to develop new operations across Sedgemoor, North Somerset, and West Somerset. We achieved this through supporting other community associations and charities in their objects.

### **TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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#### Homelessness Prevention, Housing and Support

Somerset County Council and the Homes and Communities Agency continue to provide an important part of our funding. These organisations fund the support and prevention, education and accommodation elements of our service.

During 2016/17 funds from the Homes and Communities Agency allowed for the development of units in Bath and North East Somerset in partnership with YMCA Bath Group. These units under the banner 'Platform for Life' will provide much needed move on accommodation across the district.

We continue to operate Wade House in Highbridge which provides emergency accommodation for Homeless families, and received funding in the year from the Police and Crime Commissioners Action Fund to install CCTV. The partnership with Sedgemoor District Council is important to both organisations in this provision.

Clifford Searle House, owned by YMCA England, is managed by Bridgwater YMCA. This facility provides our young people who are ready for more independent living with accommodation without losing links with their support workers. During the year we worked in partnership with YMCA England to effect a transfer of the building to Bridgwater YMCA, it is anticipated that this will take place in October 2017.

#### Pathways to Independence

During the year we re-tendered for the Pathway to Independence, and were awarded the contract. In January we commenced the delivery of the contract across both Sedgemoor, West Somerset and Taunton Deane. The pathway is funded by Somerset County Council and is designed to provide Homelessness advice, emergency accommodation and guidance to young people, which includes preventative work to be delivered in schools. The pathway also provides support in YMCA accommodation and floating support to young people living in their own accommodation.

We again secured funding to develop a Tennant Accreditation Scheme which young people attend in order to support them in achieving and sustaining a tenancy.

We upheld our recognition following external audit as an accredited Nightstop provider in Sedgemoor and have extended this to North Somerset, providing emergency accommodation to young people who are homeless or are threatened with homelessness. Alongside this programme we run family mediation with the aim of the young person returning to the family unit.

#### Fundraising

During the year we developed our approach to fundraising identifying 4 key events through which we seek to raise funds and our profile. The first event 'Mendip Mower Racing' attracted over 2000 people over the course of the weekend and raised, £2,456 for the Charity. This event is now being developed further alongside partners and suppliers with the aim of future events presenting a surplus of at least £10,000. Other events held and planned for subsequent years include an 'evening with' event, a Sleep out highlighting the issues of homelessness and a walk raising the profile of Health and Wellbeing activities.

#### Young persons involvement

The levels of young persons involvement continue and reflect in how our service is delivered, with residents committees at all sites, and user groups for all activities. All information is fed back to the board through clear reporting lines.



**TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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Chaplaincy Provision

During this year we have continued to develop our Chaplaincy provision to the organisation, this has served to enrich the lives of our young people who engage and provides an excellent support function to all staff. We look to develop this role further as the role is now being developed across the organisation with persons from specific parishes serving the various geographic locations.

Staff Development

Staff development has again been important in the achievements of this year, with the introduction of and emerging manager programme and sharing of training resources with other third sector organisations locally, we have increased the opportunities made available to staff and volunteers.

**FINANCIAL REVIEW**

Overview

Incoming resources generated during the year were £3,758,564 (2016: £2,811,774) a 34% increase on 2015/16. Whilst straight operating costs were tightly controlled there was a proportionate uplift as a result of the increased income. However we incurred one off costs in the year leading to expenditure of £3,715,772 (2016: £3,316,339).

The association has posted a surplus for the year for the year of £42,864 (2016: deficit of £504,029 after a prior year adjustment which increased the reported deficit by £66,139).

The association is forecasting a healthy surplus in the coming year, this further to the introduction of surplus making activities which meet its charitable aims into its portfolio, alongside securing a further three years of funding for its youthwork work across the region.

At the end of the year net assets were £172,010 representing an increase of 33% against 2016 net assets of £129,146, largely due to the above reasons.

Value for Money

The association in line with its VFM policy has a duty to ensure an efficient and effective service to all it serves. Our operational environment is often highly complex and variable and this is reflected through our variety of funding streams. During the year the YMCA has ensured VFM for each of its clients and funders through effective procurement of goods and through efficient delivery of services.

Reserves Policy

The association's reserves policy states that it aims to ensure that it retains £500,000 of unrestricted reserves; with the Board informed if this drops below £180,000. Reserves at the year end date, including restricted reserves of £21,541, were £172,010 however free reserves, i.e. unrestricted reserves less the carrying amount of functional assets were in a deficit position, having been through a significant period of growth and investment. It remains a key element of the business plan to achieve the aim of £500,000, through consolidation of current services, development of new and through careful management of budgets to achieve healthy surpluses.

The support of our Bank is key in this, and during the year we have developed a strong relationship with the Allied Irish Bank who have agreed in principle to a refinancing of our current loans and provision of a facility to ensure delivery of our capital commitments.

**TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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During the past two years and as a result of ensuring all accommodation meets the needs of our clients and support contracts we have carried higher than anticipated voids. The programme of redevelopment came to an end during 2016 and occupancy levels have moved back towards target level. Alongside this we have developed a strong delivery platform of social enterprise which allows for the development of our non restricted funds. The model of social enterprise is spread across differing disciplines and in line with our charitable objectives, through this it allows us to spread our resource, risk and opportunity, whilst monitoring them each accordingly. The aim of these enterprises is to increase our non restricted funds to a level supporting the ongoing development of the association and sustain its presence as an important provider of community resources.

The trustees have along with a restructured senior management team committed to a series of actions during the year ended 31 March 2017, including the recruitment of a Business and Finance Manager, and already begun to address the current economic position and look forward to restoring balances and commence accumulating reserves from 2017.

Investments Policy

The Trustees have again kept reserves as liquid as possible during the last twelve months. This has been to ensure that the association has been able to meet its obligations to creditors and staff by careful management of cashflow. The Trustees will continue to monitor the situation throughout the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk is the threat or possibility that an action or event (or sometimes inaction) will adversely affect an organisation's ability to achieve its objectives.

Risk Policy

The aim of our risk policy is to enable Bridgwater YMCA to achieve our mission. Therefore, we accept those risks to which we must subject ourselves to deliver our mission. We strive to:-

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

Control and monitoring of risk arising from activities

We aim to understand, document and review all significant risks that arise from our ongoing activities. We do this by making and regularly updating a business risk analysis and following up all matters that require attention. Where controls can be created or improved in a practical and cost-effective manner, these are implemented. The business risk analysis is made available to the Board annually for review, and any matter that arises during the year with a risk score of 10 or more is highlighted at the next Board meeting.

Work during the year has identified that financial sustainability is the major financial risk for the Charity. A key element in managing this risk is a regular review of available funds to settle debts as they become due. Regular liaison with the bank and active management of trade debtors and creditors balances to ensure sufficient working capital is key to this.

### TRUSTEES' REPORT (including the Strategic Report)

For the year ended 31 March 2017

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During the year and with a growing property portfolio across a number of activities risk increases in non financial areas. These include building compliance which in turn includes Fire Safety and Health and Safety. Mitigating the potential risks in these areas we have introduced a new process for monitoring, a full review of policies and regular training for staff in these areas.

Over the past three years we have seen an increase in threats toward staff, and an increase in the vulnerability of the clients with whom we work, these matters clearly indicate a risk to staff. We have ensured during this period that we update lone working policies, ensure the correct equipment is carried by those who do lone work, and ensured that in areas of high tolerance to our clients there are two staff present at all times. We continue to monitor this risk.

Senior members of staff are contractually obliged to report any major risk to the Board.

### PLANS FOR FUTURE PERIODS

#### Organisation

Our five year rolling plan continues to be the driver for the association. The plan is strongly focused towards more efficient use of resources with the aim of increased sustainability and improved outcomes for children and young people whom may wish to access our services.

#### Delivery

We look throughout 2017/18 to continue to increase our influence across Sedgemoor, Taunton, West Somerset and North Somerset. We will be enhancing the facilities across each of our sites, increasing capacity and relevance for our varied users groups, and increase young people's access to advice and guidance with the aim of prevention of homelessness. Through enhancing our facilities we look to ensuring that all 'green' options are explored in terms of procurement of buildings, provision of energy and disposal of waste.

We intend to be a key partner for Somerset County Council, North Somerset Council, Sedgemoor District Council, Taunton Deane, West Somerset and Weston-Super-Mare Town Council in the provision of new and innovative approaches to create opportunities for young people, plus preventing and managing homelessness for young people and families in the district.

Partnerships will be key in achieving the above where we look to the third sector, public and private sectors to join together to enable the best outcomes for all, whilst showing efficiencies in all that we do.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The company is incorporated under the Companies Act 2006 and is governed by its Memorandum and Articles of Association. It is a company limited by guarantee without share capital. The Articles of Association govern the rules concerning membership and election of the Board of Trustees. The company was registered on 7 April 1999, and it is also a charity registered under the Charities Act and a private registered provider of social housing. The liability of its members in the event of a winding up is limited to £1.

### **TRUSTEES' REPORT (including the Strategic Report)** **For the year ended 31 March 2017**

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#### Appointment of Trustees

Trustees are elected at the Annual General Meeting. Details of trustees are included on association legal and administration information on page 1.

#### Trustee Induction and Training

Board members are recruited from the communities we serve, and in line with the needs identified from the skills audit. These members are interviewed by the Chair, President and Chief Executive, and then inducted to the full board, including safeguarding training, professional boundaries and policy review. Before becoming full board members' potential new trustees/directors, must attend at least three meetings.

The trustees have continued a programme of Board training during this year, delivered by Space to Think, the training includes a review of the role a trustee in good governance, development of the rolling strategic plan and sharing of responsibilities in relation to the associations aims and objectives.

Each year a skills audit is carried out with our Board members in order to ensure continued experience and skills are present within the Board.

#### Organisational structure

The Board of Trustees meets at least four times a year and is supported by two committees. The Enterprise Committee is responsible for that of supporting the associations Social Enterprises, physical development and monitoring of assets. The Board are also supported by the Delivery Committee that meets quarterly; its remit is to drive the Business Plan and create accountability in the senior staff team. Day to day running of the association is delegated to the senior management team under the leadership of the Chief Executive

#### Governance and financial viability and code of governance

We regularly monitor and report on our performance and the delivery of our plans, and residents involved in our governance structure are consulted on budget priorities and the strategic plan. We have a comprehensive risk register and framework that are regularly reviewed by Boards and Committees and complete risk analysis in our business plan financial model. The strategic plan is suitably financially conservative and risks are managed, with the business plan being independently validated by our Bank.

We have strong short, medium and long-term cash-flow management systems and all our future commitments are fully funded by agreed loan facilities with our banks for at least two years.

Our strategic plan makes sure of effective management and that our loan covenants are continuously monitored. Annual and periodic external audits of our accounts are completed to ensure they and our business plans are robust and viable.

Our self-assessment statement will be updated during the course of 2017/18 with additional information on how Bridgwater YMCA meets the Homes and Communities Agency's (HCA) revised Governance & Financial Viability Standard.

**TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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The association has been assessed by the HCA under the continued qualification process for investment partners 2017/18. As a result of the assessment the association have retained continued qualification as an investment partner for programmes and the applicable successor programmes.

Arrangements for setting pay of key management personnel

The directors consider the Board of directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All directors' expenses and related party transactions are disclosed in notes 7 and 24 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other YMCA's of a similar size. The remuneration bench mark is the mid point of the range paid for similar roles adjusted for a weighting of up to 20% for any additional duties. If recruitment has proven difficult then in this instance we will pay no more than greater than the maximum benchmarked salary for a comparable role.

Relationship between the charity and related parties

Bridgwater YMCA has strong relationships with its partners, whilst also having strong links with fellow YMCA's working in conjunction with them to develop our services and skills. Bridgwater YMCA supports the Bridgwater Foodbank through the provision of administration and human resources advice.

Our operations are subject to regular review by a number of external agencies, including, OFSTED, Homes and Communities Agency, Somerset County Council, auditors and others.

**Trustees' responsibilities**

The trustees (who are also directors of Bridgwater Young Men's Christian Association for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law and registered social housing legislation require the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the association and of the incoming resources and application of resources, including the income and expenditure, of the association for that period. In preparing these financial statements, the trustees are required to:

In preparing these financial statements, the Board is required to:

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the organisation will continue in operation).

**TRUSTEES' REPORT (including the Strategic Report)**

**For the year ended 31 March 2017**

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The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered social providers of social housing in England 2015. They have general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the trustees are aware:

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

**Auditors**

A resolution to reappoint Monahans as auditors will be put to the members at the Annual General Meeting.

In approving the Trustee's Report, we also approve the Strategic Report included therein, in our capacity as company directors.

By order of the Board of Trustees

John Ennals  
Chair

## **BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**

**For the year ended 31 March 2017**

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We have audited the financial statements of Bridgwater Young Men's Christian Association for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association'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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the board (as Trustees) and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 11 to 12, the board members (who are also the directors of the association for the purposes of company law) 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 group's and the parent association'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 Trustees' 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 association's affairs as at 31 March 2017, and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

## **BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**

**For the year ended 31 March 2017**

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- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

#### **Emphasis of matter - Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the association's ability to continue as a going concern.

The association has net current liabilities of £2,142,324 as at 31 March 2017 (2016: £1,984,122), including £1,792,035 of unspent capital grants. The cash position at the year-end stood at £405,030 (2016: £171,413). Cashflow forecasts have been prepared which indicate that the association can continue operating until November 2018, at least, while continuing to deliver a programme of capital development. There is still uncertainty on how and when the full £1,792,035 received at 31 March 2017 will be defrayed. However, the Association is confident this can be managed through a combination of seeking additional unrestricted funding, adjusting the development period of the capital works and if necessary utilising additional secured finance.

As a result of the matters identified in note 1 of the accounts, there is the existence of material uncertainties that have the potential to cast doubt about the association's ability to continue as a going concern. Positive actions taken to date and the significant amount of time remaining for this situation to be resolved, mean our audit report is not qualified. The financial statements do not include the adjustments that would result if the association was unable to continue as a going concern.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements

#### **Opinion on other matter prescribed by the Companies Act 2006**

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

#### **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



**BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRIDGWATER  
YOUNG MEN'S CHRISTIAN ASSOCIATION**

**For the year ended 31 March 2017**

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- certain disclosures of board member's remuneration specified by law are not made; or
- we have not received all the information and explanations we need for our audit.

In addition, we have nothing to report to you in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, if in our opinion:

- a satisfactory system of control over transactions has not been maintained;

James Gare (Senior Statutory Auditor)  
For and on behalf of MHA Monahans  
Statutory Auditors  
Chartered Accountants  
Fortescue House  
Court Street  
Trowbridge  
BA14 8FA

**BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**

**STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**For the year ended 31 March 2017**

	Notes	2017 £	2016 <i>As restated</i> £
Turnover	2	<b>3,758,564</b>	2,811,774
Operating expenditure		<b>(3,628,929)</b>	(3,252,768)
<b>Operating surplus / (deficit)</b>		<b>129,635</b>	(440,994)
Interest receivable and similar income	4	<b>72</b>	536
Interest payable and similar charges	5	<b>(86,843)</b>	(63,571)
<b>Surplus / (deficit) on ordinary activities for the year before tax</b>		<b>42,864</b>	(504,029)
Taxation		-	-
<b>Surplus / (deficit) for the year after tax and total comprehensive income</b>		<b>42,864</b>	(504,029)

On behalf of the Board:

\_\_\_\_\_  
 JOHN ENNALS, Chair

\_\_\_\_\_  
 ALASTAIR MATTHEWS, Trustee

**BALANCE SHEET**  
**As at 31 March 2017**

	Notes	2017 £	2016 <i>As restated</i> £
<b>FIXED ASSETS</b>			
Social housing properties	11	6,354,852	6,229,638
Other properties	11	10,938,573	10,677,589
Other tangible fixed assets	12	468,668	1,325,850
		<b>17,762,093</b>	<b>18,233,077</b>
<b>CURRENT ASSETS</b>			
Stocks		11,841	5,107
Debtors	13	395,247	128,776
Cash at bank and in hand		405,030	171,413
		<b>812,118</b>	<b>305,296</b>
<b>CREDITORS: amounts falling due within one year</b>	14	<b>(2,954,442)</b>	<b>(2,289,418)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(2,142,324)</b>	<b>(1,984,122)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>15,619,769</b>	<b>16,248,955</b>
<b>CREDITORS: amounts falling due after one year</b>	15	<b>(15,447,759)</b>	<b>(15,313,105)</b>
<b>NET ASSETS</b>		<b>172,010</b>	<b>935,850</b>
<b>RESERVES</b>			
Income and expenditure reserve	20	150,469	129,146
Restricted reserve	20	21,541	-
<b>TOTAL RESERVES</b>		<b>172,010</b>	<b>129,146</b>

The financial statements were approved by the Trustees on behalf by:

and signed on their

\_\_\_\_\_  
JOHN ENNALS, Chair

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ALASTAIR MATTHEWS, Trustee

The annexed notes form part of these financial statements

**BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION****STATEMENT OF CHANGE IN RESERVES****For the year ended 31 March 2017**

	<b>Restricted reserve</b>	<b>Income &amp; expenditure reserve</b>	<b>Total</b>
At 1 April 2015	-	633,175	633,175
Deficit for the year	-	(437,893)	(437,893)
Prior year adjustment	-	(66,136)	(66,136)
Total comprehensive income as restated	-	(504,029)	(504,029)
At 31 March 2016 and 1 April 2016	-	129,146	129,146
Surplus for the year	-	42,864	42,864
Total comprehensive income	-	42,864	42,864
Transfers	21,541	(21,541)	-
At 31 March 2017	<u>£ 21,541</u>	<u>£ 150,469</u>	<u>£ 172,010</u>

# BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Note	2017 £	2016 £
<b>Cash flow from operating activities</b>	<b>21</b>	<b>(153,245)</b>	<b>456,660</b>
Interest paid		(86,843)	(63,571)
<b>Net cash flow from operating activities</b>		<b>(240,088)</b>	<b>393,089</b>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets	11, 12	(759,228)	(3,749,559)
Social housing and other grants received		1,284,398	792,732
Interest received		72	536
<b>Net cash flow from investing activities</b>		<b>525,242</b>	<b>(2,956,291)</b>
<b>Cash flow from financing activities</b>			
Repayment of long term loans		(51,537)	(12,782)
Proceeds from issue of new long-term loans		-	1,800,000
<b>Net cash flow from financing activities</b>		<b>(51,537)</b>	<b>1,787,218</b>
<b>Change in cash and cash equivalents in the year</b>		<b>233,617</b>	<b>(775,984)</b>
Cash and cash equivalents at 1 April 2016		171,413	947,397
Cash and cash equivalents at 31 March 2017		<u>405,030</u>	<u>171,413</u>
<b>Cash and cash equivalents consists of:</b>			
Cash and cash equivalents at 31 March 2017		<u>405,030</u>	<u>171,413</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

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**1. ACCOUNTING POLICIES**

***(a) General information and basis of preparation of financial statements***

The association is a charitable company which is incorporated under the Companies Act 2006, and a private registered provider of social housing in the United Kingdom. The registered office is given in the association legal and administrative information on page 1 of these financial statements. The nature of the association's operations and principal activities are documented within the Report of the Trustees.

The association constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014 (SORP), and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008, the Companies Act 2006 and Charities Act 2011.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the association, and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

***(b) Tangible fixed assets***

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs including the labour costs of own employees arising directly for the construction or acquisition of the property, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold and leasehold land	Not depreciated
Freehold buildings	2% straight line
Leasehold buildings	2% straight line
Motor vehicles	25% reducing balance
Furniture and equipment	15% reducing balance and 25% straight line

The association depreciates housing properties by material component on a straight line basis over the estimated useful economic life of each component. The material components, and their useful economic lives, are as follows:

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

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Land	Not depreciated
Main Fabric	80 - 100 years
Roof structure and Covering	50 - 70 years
Windows and External Doors	10 - 30 years
Gas boilers / fires	Over 15 years
Kitchen	Over 20 years
Bathroom / WCs	Over 30 years
Mechanical Systems	Over 30 years
Electrics	Over 40 years

No depreciation is applied to development costs as these reflect assets in the course of construction which had not been brought into use at the year end date.

Annually housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell.

**(c) Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

**(d) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are

**(e) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**(f) Provisions**

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

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***(g) Leases***

Rentals payable and receivable under operating leases are charged on a straight line basis over the period of the lease.

***(h) Tax***

The association is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes.

The activities of the association are partially exempt from VAT. Irrecoverable VAT which can be attributed to a capital item or operating expenditure is added to the cost of the capital item of expenses were practicable and material.

***(i) Turnover, government grants and other income***

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency and other income.

Government grants from various sources including the HCA and Local Authorities are received in respect of purchasing fixed assets. These grants are recognised at the fair value of the asset received or receivable. The assets are accounted for using the cost model and the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

Grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the organisation recognises the related costs for which the grant is intended to compensate. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

Other income streams are recognised when the association is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. More detail on specific elements of other income streams are provided below:

For donations to be recognised the association will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the association and it is probable that they will be fulfilled. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

No amount is included in the financial statements for volunteer time in line with the principles of the Charities SORP (FRS 102), although the association is not following this SORP.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

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For legacies, entitlement is the earlier of the association being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the association however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed as a note.

Income from fundraising events and trading activities to raise funds for the association is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest income is recognised using the effective interest method.

**(j) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Central costs are apportioned amongst the various activities on a percentage basis of expenditure per category.

**(k) Employee benefits**

The charity operates two defined contribution pension schemes for eligible employees. Contributions are expensed as they become payable.

Bridgwater YMCA also 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 Bridgwater YMCA for the purposes of FRS 102 disclosure, therefore the scheme is accounted for as a defined contribution scheme. However, as described in note 22 Bridgwater YMCA has a contractual obligation to make pension deficit payments and a discounted liability for the amounts payable is included in these accounts.

**(l) Restricted reserves**

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate.

**(m) Going concern**

The association has generated a small surplus of £42,864 in the year compared to a deficit of £504,029 in the previous period.

Before the impact of depreciation and movements in capital grants (depreciation of £423,508 less capital grants of £249,231), the association has demonstrated that cash surpluses in the region of £217,000 per annum can be generated, this subject to stock, debtors and creditors remaining stable.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The association has net current liabilities of £2,142,324 as at 31 March 2017 (2016: £1,984,122), which is largely represented by £1,792,035 of unspent capital grants received towards a number of property development projects phased to complete over the next two years. The cash position at the year-end stood at £405,030 (2016: £171,413), which at that time was not adequate to fulfil these projects.

Given that the association is now capable of generating significant positive cashflows it is confident that it will be able to reverse this current net liability position and is exploring a number of additional options, including obtaining un-restricted grants to complete the works and/or phasing the works over a longer period. Since the year end, a £300,000 loan and a £200,000 overdraft facility have been secured with the Allied Irish Bank. With the combination of these actions it is anticipated that the association would address the current shortfall.

Cashflow forecasts have been prepared for three years which indicate the association can continue operating until November 2018, with further positive projections for the following two years, while continuing to deliver a programme of capital development.

The trustees continue to take steps to ensure the growth and future sustainability of the association including investment in financial infrastructure, re-financing the organisation and business transformation through restructure to reflect the size and aspiration of the association. The trustees recognise the importance of maintaining cashflow and returning the net current assets to a surplus position. Further to the above steps being implemented by the trustees and senior team, the financial statements have accordingly been drawn up on a going concern basis.

***(n) Judgements and key sources of estimation uncertainty***

The key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include obligations under defined benefit pension schemes (see note 22) and the split and useful lives of components of social housing properties (note 11).

**2. SOCIAL HOUSING TURNOVER AND COSTS**

	2017 £	2016 £
Rent receivable after voids but excluding service charges	1,253,833	760,346
Revenue grants receivable	932,133	812,883
Total social housing income	<u>2,185,966</u>	<u>1,573,229</u>
Social Housing activity expenditure	(1,557,104)	(1,407,392)
Operating surplus from social housing activities	<u>628,862</u>	<u>165,837</u>
Memo:		
Void losses	474,879	460,933
Amortised government grants relating to social housing taken to income	<u>87,845</u>	<u>96,255</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

## 3. ACCOMODATION OWNED AND IN MANAGEMENT

	2017 Units	2016 Units
Supported Housing	<u>173</u>	<u>160</u>

## 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Bank interest receivable	72	536
	<u>72</u>	<u>536</u>

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Bank loans and overdrafts	74,593	63,571
Pension interest charge	10,680	-
Interest on late payment of VAT	1,570	-
	<u>86,843</u>	<u>63,571</u>

No interest was charged against the pension scheme in 2016 as the liability was adjusted to reflect a newly agreed repayment plan. The repayments were discounted and will be released as interest in subsequent years.

## 6. SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES

	2017 £	2016 £
The operating surplus / (deficit) is arrived at after charging:		
Auditors remuneration - audit work	13,000	13,000
Auditors remuneration - audit work prior year under accrual	3,733	-
Auditors remuneration - non audit work	10,198	7,000
Depreciation of tangible fixed assets	423,508	415,085
Government grants amortised	249,231	245,790
Operating lease rentals	35,633	42,272
Rent losses from bad debts	49,751	35,123
Recalculation of pension deficit liability	-	103,172

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

**7. TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION**

Total remuneration for key management personnel of the association amounted to £236,396 (2016: £162,158). The key management includes the trustees, directors and senior management team as detailed on page 1.

No remuneration was received by non-executive board members / trustees.

The highest paid director received £62,077 (2016: £62,077) remuneration (excluding pension contributions).

The pension contributions made on behalf of the Chief Executive were £1,655 (2016: £931). He is an ordinary member of one of the defined contribution pension schemes offered to employees.

During the year no trustees received any reimbursement of expenses (2016: £nil).

**8. STAFF NUMBERS AND COSTS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,513,090</b>	1,229,612
Social security costs	<b>94,703</b>	91,507
Pension costs	<b>34,754</b>	15,477
Pension deficit liability admin costs	<b>5,356</b>	5,069
	<b><u>1,647,903</u></b>	<b><u>1,341,665</u></b>

One employee received remuneration in the £60k to £70k band in both years. No other employee received remuneration over £60k.

The average number of employees, including members of the executive team, during the year was as follows:

	<b>2017</b>	<b>2016</b>
Management and administration	<b>19</b>	22
Development	<b>48</b>	40
Housing, support and care	<b>54</b>	58
	<b><u>121</u></b>	<b><u>120</u></b>

The average weekly number of employees, including members of the executive team, calculated on a full time equivalent basis was 80 (2016 : 81).

**9. TAXATION**

The association is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

## 10. PRIOR YEAR ADJUSTMENT

It was identified during the year that the amount of VAT payable to HMRC in respect of prior years was understated within the prior year accounts. An adjustment has been included within the accounts, as a prior year adjustment, to reflect the additional amounts due.

The impact of this adjustment on the comparative figures is as below:

**Reconciliation of comparative period total comprehensive income**

	£
Total comprehensive income at 31 March 2016 as previously stated	(437,893)
Impact of prior year adjustment - accounting for VAT underpaid	(66,136)
Restated total comprehensive income at 31 March 2016	<u>(504,029)</u>

**Reconciliation of comparative period total reserves**

	£
Total reserves as at 31 March 2016 as previously stated	195,282
Impact of prior year adjustment - accounting for VAT underpaid	(66,136)
Restated total reserves as at 31 March 2016	<u>129,146</u>

## 11. TANGIBLE FIXED ASSETS - PROPERTIES

	Housing properties £	Development costs £	Non- housing properties £	Total £
<b>Cost</b>				
At 1 April 2016	6,765,498	168,321	11,136,347	18,070,166
Additions	249,071	155,283	259,207	663,561
Transfers	(24,795)	24,795	-	-
At 31 March 2017	<u>6,989,774</u>	<u>348,399</u>	<u>11,395,554</u>	<u>18,733,727</u>
<b>Depreciation</b>				
At 1 April 2016	535,860	-	627,079	1,162,939
Charge for the year	99,062	-	178,301	277,363
At 31 March 2017	<u>634,922</u>	<u>-</u>	<u>805,380</u>	<u>1,440,302</u>
<b>Net book value</b>				
At 31 March 2017	<u>6,354,852</u>	<u>348,399</u>	<u>10,590,174</u>	<u>17,293,425</u>
At 31 March 2016	<u>6,229,638</u>	<u>168,321</u>	<u>10,509,268</u>	<u>16,907,227</u>

The net book value of housing properties comprised:

	2017 £	2016 £
Freehold	4,996,982	4,830,148
Long Leasehold	1,382,665	1,399,490
	<u>6,379,647</u>	<u>6,229,638</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The net book value of non-housing properties comprised:

	2017	2016
	£	£
Freehold	8,648,111	10,509,268
Long Leasehold	1,927,063	-
	<u>10,575,174</u>	<u>10,509,268</u>

Included within properties is land totalling £3,097,000 (2016: £3,097,000) which is not depreciated.

Properties with a net book value of £7,760,623 at 31 March 2017 have been pledged as security for liabilities of the association. These assets have restricted title.

## 12. OTHER TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2016	1,075,176	8,862	1,084,038
Additions	95,667	-	95,667
Disposals	-	-	-
At 31 March 2017	<u>1,170,843</u>	<u>8,862</u>	<u>1,179,705</u>
<b>Depreciation</b>			
At 1 April 2016	558,288	6,604	564,892
Charge for the year	145,581	564	146,145
On disposals	-	-	-
At 31 March 2017	<u>703,869</u>	<u>7,168</u>	<u>711,037</u>
<b>Net book value</b>			
At 31 March 2017	<u>466,974</u>	<u>1,694</u>	<u>468,668</u>
At 31 March 2016	<u>516,888</u>	<u>9,426</u>	<u>1,325,850</u>

## 13. DEBTORS

	2017	2016
	£	£
Trade debtors (gross social housing rent arrears)	126,169	87,090
Less: provision for doubtful debt	(17,802)	(7,176)
Other trade debtors	195,873	44,371
Prepayments and accrued income	85,442	1,268
Other debtors	5,565	3,223
	<u>395,247</u>	<u>128,776</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

## 14. CREDITORS: Amounts falling due within one year

	2017	2016
	£	As restated £
Housing loan (see note 16)	31	29
Bank loans (see note 16)	66,443	50,668
Trade creditors	535,381	689,768
Other taxation and social security	30,825	24,453
VAT creditor	137,055	91,223
Social Housing Grant and Other Grants not spent	1,792,035	1,030,589
Other creditors	11,339	12,355
Government grants	247,945	248,569
Accruals and deferred income	100,298	109,637
Pensions liability (see note 22)	33,090	32,127
	<b>2,954,442</b>	<b>2,289,418</b>

## 15. CREDITORS: Amounts falling due in more than one year

	2017	2016
	£	£
Housing loan (see note 16)	11,329	11,359
Bank loans (see note 16)	2,088,855	2,156,139
Government grants	12,996,328	12,763,985
Deferred income	50,750	57,750
Pensions liability (see note 22)	300,497	323,872
	<b>15,447,759</b>	<b>15,313,105</b>

## 16. BORROWINGS

Analysis of maturity of debt:

	Housing Loan 2017 £	Bank loans 2017 £	Housing Loan 2016 £	Bank loans 2016 £
Less than one year	31	66,443	29	50,668
Between one and two years	34	68,634	33	64,742
Between two and five years	129	219,604	122	208,177
After five years	11,166	1,800,617	11,204	1,883,220
	<b>11,360</b>	<b>2,155,298</b>	<b>11,388</b>	<b>2,206,807</b>

The Housing loan is repayable over 50 years at a fixed interest rate of 11%. The loan is secured on the freehold land that Gerald Townsend House occupies.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The bank loans comprise of two loan agreements with Charity Bank.

- The first loan was taken out in 2011/12 and was for £450,000. Interest is charged at a fixed rate of 6.5%.

- A second loan was taken out in 2015/16 for £1,800,000. Interest is charged at 3% above Bank of England base rates.

The loans are secured via fixed charges on Thorncombe House, Riverbed House and Barley Wood, all properties owned by the association, and are both repayable over 25 years.

**17. OPERATING LEASE COMMITMENTS**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than one year	35,042	48,320
Later than one and not later than five years	21,097	35,633
Later than five years	2,826	-
	<u>58,965</u>	<u>83,953</u>

**18. CONTINGENT LIABILITIES**

On 1 June 2013, the association registered a charge in favour of the Department of Education. This charge relates to grant funding of £3.972 million received in previous years which could become repayable in certain circumstances, particularly if the association were to sell or significantly change the use of the grant-funded building. The trustees consider the likelihood of such circumstances occurring to be remote. This contingent liability is secured against the George Williams Centre, which is included as a freehold property in note 11 of the financial statements.

**19. SHARE CAPITAL**

The association as a company limited by guarantee and as such has no issued share capital.

**20. RESERVES****Income and expenditure reserve**

This represents cumulative surpluses and deficits net of other adjustments.

	Brought Forward 01/04/2016	Prior year adjustment	Movement in year	Carried Forward 31/03/2017
	£	£	£	£
Income and expenditure reserve	<u>195,282</u>	<u>(66,136)</u>	<u>21,323</u>	<u>150,469</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Movements in the year were as follows:

Surplus for year	Transfers to restricted reserve	Movement in year
£	£	£
<b>42,864</b>	<b>(21,541)</b>	<b>21,323</b>

**Restricted reserves**

Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate. Such transfers are detailed below:

Details of restricted monies received and spent in the year are as follows:

	Brought Forward 01/04/2016	Incoming Resources	Resources Expended	Carried Forward 31/03/2017
	£	£	£	£
Sedgemoor FM Community Volunteer and Training Project	-	8,340	(8,340)	-
Nursery Grants	-	3,000	(3,000)	-
Children In Need	-	8,850	(8,850)	-
Barley Wood	-	30,000	(30,000)	-
TYG	-	3,800	(3,800)	-
Power to Change	-	138,204	(116,663)	21,541
	<b>-</b>	<b>192,194</b>	<b>(170,653)</b>	<b>21,541</b>

**Restricted reserve descriptions**

**Sedgemoor FM Community Volunteer and Training Project** - Grant for the development a volunteer resource bank and for the delivery of radio in the community

**Nursery Grants** - Funding for the improvement of the Nursery Children's cooking area.

**Children In Need** - Funding for the provision of play equipment for children at the Families Homeless Hostel.

**Barley Wood** - Funding for the reinstatement of Barley Wood Pavilion.

**TYG** - Funding for the provision of Target Youth Provision at Recreation Hamp.

**Power to Change** - Funding relating to the installation of the Theatre Kitchen facilities at the Beach Hotel

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

**21. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Surplus / (deficit) for the year	42,864	(504,029)
Depreciation charges	423,508	415,085
Interest receivable	(72)	(536)
Interest payable	86,843	63,571
Decrease / (increase) in stock	(6,734)	(2,876)
Decrease / (increase) in debtors	(266,471)	195,337
Increase / (decrease) in creditors	(183,952)	535,898
Government grants utilised in the year	(249,231)	(245,790)
	<u>(153,245)</u>	<u>456,660</u>

**22. PENSION COMMITMENTS**

The association operates two defined contribution pension schemes, one with Scottish Widows (previously with Aviva) and one with the People's Pension. The assets of the schemes are held separately from those of the association in independently administered funds. The pension cost charge represents contributions payable by the association to the two funds and amounted to £34,754 (2016: £15,740). Contributions totalling £5,406 (2016: £4,190) were payable to the funds at the year-end and are included in creditors.

**The YMCA Pension and Assurance Plan and Group Life Scheme**

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

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 Bridgwater YMCA for the purposes of FRS102 disclosure and accordingly the FRS102 deficit is not 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. Bridgwater YMCA has been advised that it will need to make monthly contributions of £2,507 from 1 May 2016. Bridgwater YMCA is also responsible for paying Weston Super Mare YMCA's monthly contributions of £257 in respect of the YMCA Pension Plan. These amounts are 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<sup>st</sup> May 2015.

Under Financial Reporting Standards 102 a provision has been made in these accounts for the liability of Bridgwater YMCA. The recommended annual contribution provided in 2015 have been discounted to the net liability on an ongoing basis. The liability excludes contributions towards scheme expenses as these will be expensed to the Statement of Comprehensive Income as incurred on an annual basis. Accordingly a provision has been included in the accounts to reflect the net present value of those future contributions.

	2017 £	2016 £
<b>Reconciliation of opening and closing liability</b>		
Opening liability	355,999	285,297
Unwinding of the discount factor (interest expense)	10,680	-
Deficit contribution paid	(33,090)	(32,471)
Remeasurements - amendments to the contributions schedule	-	103,173
Closing liability	<u>333,589</u>	<u>355,999</u>

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

**23. CAPITAL FUNDING COMMITMENTS**

	2017 £	2016 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>365,983</u>	<u>205,589</u>
	<u>365,983</u>	<u>205,589</u>

**24. RELATED PARTY TRANSACTIONS**

Pat Collins, a trustee until 26/04/17, was a director and shareholder of Collins Payne Limited. Purchases totalling £nil (2016: £3,300) were made from this company on an arm's length basis.

In addition, purchases totalling £41,475 were made from Collins Chartered Surveyors, an entity run by Pat Collins. At the year end date £5,360 was owed to Collins Chartered Surveyors and included in trade creditors.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

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During the year purchases of £7,366 were made from J E Air Conditioning Limited, a company owned by a close relative of the Chief Executive, J E Hehir. In addition a back up generator was purchased from J E Hehir in the year for £3,600. No amounts were outstanding at the year end date.

At the year end date the Chief Executive was owed £69 (2016: £1,783) for expenses incurred yet to be reimbursed.

**25. ULTIMATE CONTROLLING PARTY**

The trustees consider that the association is jointly controlled by the trustees and that there is no ultimate controlling party.