

YMCA WORCESTER

Part of Worcestershire YMCA

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

**Our vision is of transforming communities so that all young
people truly belong, contribute and thrive**

WORCESTER YMCA

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WORCESTER YMCA

REPORT OF THE BOARD

The Board is pleased to present its report and audited financial statements for the year ended 31 March 2017.

Reference and administration Information

Charity Name	Worcester YMCA
Charity Registration Number	1102766
Company Registration Number	05056873
Company Secretary and Chief Executive	Duncan Berry

Board

The Board is composed of the following individuals:

Dr John Cochrane	Appointed 11 November 2016
Mike Higley (Chair)	
Sarah Brush	Resigned 20 January 2016
Phillip Simpson	
Simon Hill	Appointed 11 November 2016
Jaclyntha Hodgson	Appointed 11 November 2016

Members of the Board are directors of the association for the purposes of company law and trustees of the association for the purposes of charity law.

Registered Office

YMCA Hostel
Henwick Road
St Johns
Worcester
WR2 5NS

Auditors

**PKF Cooper Parry
Group Limited**
Park View
One Central
Boulevard
Blythe Valley
Business Park
Sollhull B90 8BG

Bankers

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Solicitors

mfg Solicitors LLP
Adam House
Birmingham Road
Kidderminster
Worcestershire
DY10 2SH

WORCESTER YMCA

REPORT OF THE BOARD

Structure, Governance and Management

Constitution

The Association is a charitable company limited by guarantee and not having a share capital, with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association, which were reviewed by the Board in 2013.

Organisational structure

The Association is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets & accounts, who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold five meetings per annum to consider business and progress against agreed plans plus hold strategic discussions and consider future work and direction. On appointment trustees receive induction including Charities Commission input. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs.

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Head of Children and Families and Head of Adult and Communities. The Chief Executive attends Board meetings and members of the senior management team are invited where appropriate to encourage wider contact between directors and staff. In setting the salaries of the senior management team the Board considers benchmark information from other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the volunteer Board is integral to the structure and is part of our engagement process.

Recruitment and appointment to the Board

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected by the Members of the Association at the Annual General Meeting. Worcestershire YMCA Limited is the sole corporate member of Worcester YMCA.

All Board members acknowledge their Christian faith and are appointed by the sole member.

The Directors of the company are also charity trustees for the purposes of charity law and throughout this report are collectively referred to as the board members. Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

It is the aim of the board members to have the Board made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The board seeks to recruit new members accordingly. Potential board members are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved.

WORCESTER YMCA

REPORT OF THE BOARD

The perspectives, experience and skills of individual Board members are considered to ensure a balance across the Board. Board members are initially co-opted to the Board until the following Annual General Meeting.

Board member induction and training

As part of their induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement: YMCA Code of Governance and YMCA Insync standards. Background information relating to the Association including copies of the articles of association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedule four meetings per annum for ordinary business and to consider the work of the association and future direction; it also participates in periodic "away days".

As part of the YMCA Movement, Board members have access to its board development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values

Code of Governance

The Association's Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance.

Statement of Board responsibilities

The board is responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long-term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

Company law requires the board 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 board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The board is 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. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board 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.

WORCESTER YMCA

REPORT OF THE BOARD

Provision of information to auditors

We, the board members of the Association who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Association's auditors are unaware; and
- we have taken all the steps that we ought to have taken as board members to make ourselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Corporate Governance – internal financial control

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management, internal audit and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports.

Risk management

The Association maintains a risk register covering governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

The board categorises risk into five main headings: Governance, Operational, Financial, Environmental or external and Compliance. The key risk in each heading is identified below:

Risk	Mitigation and further action to be taken
Governance – loss of key staff	Trustees act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly. Further action: Succession planning is to be enhanced and cascaded through the organisation and initiatives to be put in place to recruit trustees on a planned basis.

WORCESTER YMCA

REPORT OF THE BOARD

Risk management (continued)

Operational fundraising	-	A Business Manager, dedicated to fundraising, is in post within YMCA Worcestershire Limited. A specific fundraising strategy in line with best practice is in implementation. Further action: continue to increase the level of communication and profile of the organisation using social media and develop fundraising events taking the opportunity offered by the adoption of the national YMCA brand.
Financial dependency on limited income sources	-	Major dependencies on supported housing and local government funding. Strategic plans aim to change the mix of income to include fundraising and the provision of services that are less dependent on Government policy. Further action: Monitor success of diversification plans and organisational capability to ensure they match future requirements.
Environmental or external factors – changing government policy	-	Networking and lobbying to minimise adverse policy changes and their effects. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated.
Compliance diversification of activities	-	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.

Financial Review

Reserves

The association makes adequate provision, by way of financial reserves, to enable the discharge of statutory and contractual obligations and to support continuity of business in the face of potential risks.

The Board consider there are sufficient assets to meet obligations as they arise. Net current assets are £1,633,073 (2016: £1,390,042) including property with a value of £1,300,000 which is currently for sale on the open market. Excluding this amount, net current assets would be £333,073 (2016: £90,042).

The overall funds of the Association have increased as a consequence of a surplus arising from operational savings being achieved in anticipation of a reduction in income and a higher cost structure once the building is sold. The anticipated reduction in income was mitigated against to some extent during the year and central costs have not been apportioned between YMCA Worcestershire Limited and the Association for operational reasons. The Board planned to review the reserves policy and the designation of reserves in the light of the changes to accounting standards however, this has been deferred until the forthcoming year on sale of the property in current assets.

The Association does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles prevent the distribution of reserves, which are instead applied to further the aims and objectives.

Employment of disabled persons

The Association operates an equal opportunities employment policy and recently committed to be Disability Confident, the replacement for the two ticks disability symbol which shows commitment to good practice in employing disabled people. It also enables people with disabilities to know which employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

WORCESTER YMCA

REPORT OF THE BOARD

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation.

The Association's objects and principal activities are 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 or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- 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;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- 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.

During 2017, the objects clauses and purposes set out in the Articles of Association were considered against the model documents available from the National Council of YMCA and it was agreed to adopt them in the forthcoming year. Particular emphasis was placed on retaining the objects relating to the Paris Basis and faith basis and to the importance of a Christian Board safeguarding the faith basis of the Association and Movement. Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Strategy

The key elements of our medium to long-term strategy are:

Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes..

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms. We are organised into three areas of work.

Progress is reported and variances explained to Board throughout the year. An annual review is conducted by the board and senior management and an Annual General Meeting is also held and a report presented by the board and senior management to members.

During the year there are periodic reviews conducted with partner organisations including commissioning bodies.

WORCESTER YMCA

REPORT OF THE BOARD

Review of activities

Working from our own accommodation centre and accommodation centres of other organisations we provide youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults. There are educational, training, vocational, sports and recreational opportunities available to the public.

The two most significant charitable activities contributing to the achievement of our objectives in the year were:

Residential Accommodation
Children and Youth Services

During the year our work in providing support to young people aged 16-25 and to vulnerable adults reduced significantly with some impact on our accommodation services. This meant income reduced to £916,523 (2016: £1,159,076), reflecting a reduction in funding for support to residents.

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rent reduction, uncertainty over any future supported housing model and the need to consider diversification and a more commercial approach to some areas of delivery.

Further analysis of the income and expenditure on operations can be found in notes 3, 4, 5 and 6 to the financial statements.

WORCESTER YMCA

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Strategy: Provide opportunities that prepare young adults, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

Highlighted Achievements:

In conjunction with YMCA Worcestershire Limited, providing safe and secure homes to over 300 people who would otherwise have been homeless; Working in partnership to provide specialist, intensive support to 337 young people, some who have experienced trauma; Working in 21 partnership areas to mentor 169 young people through Talent Match programme.

Talent Match helps young people who are furthest from the jobs market, including those who are completely outside of benefits, work and the training system and facing severe barriers to gaining the skills they need to get into work. Talent Match will boost opportunities for young people in these areas by bringing together partnerships of employers, education providers and others, led by local charities. The investment was co-designed with young people, both centrally and in each of the 21 partnership areas, and will continue to have young people at the heart of decision making throughout the programme. Across Worcestershire, 169 (2016: 77) young people have been mentored through Talent Match with 43 having been supported into work through the joint work of YMCA Worcestershire Limited and YMCA Worcester which hosts one of the workers.

Across Worcestershire, YMCA provides 227 units of safe, secure and comfortable accommodation for people predominantly aged between 16 and 25. This provides a foundation on which our support team empower and encourage young people in preparation for independent living. In Worcester residents benefit from a full catering service, which is supported by Fairshare, a fresh food recycling charity and generous donations from local supermarkets. The kitchen also hosts a lunch for older people every week, and has delivered other activities, such as a Christmas Lunch for homeless people in Worcester City, at its Guildhall.

We aim to build independent futures and provide services such as counselling and employment advice. We also host an exciting and varied events programme designed to engage people in sports, fitness and wellbeing activities. We run a football team and, in conjunction with Worcester Warriors, run a homeless Rugby team. All new residents at Worcester are offered our tenancy sustainability course which equips participants with the skills, knowledge and confidence to successfully achieve and maintain independent living. This year, with YMCA Worcestershire Limited we helped over 300 people, who would otherwise have been homeless. We have continued to provide, in partnership with Worcestershire County Council, intensive housing and support for young people aged between 16-23 and those leaving the care system and we supported 279 people through this program. We also provide specialist intensive support for 58 Looked after Children who are looking for more independence, through our Safebase initiative.

Our on-site maintenance team also provide a repairs service for a local homeless charity and provides successful work placements for ex-offenders.

We provide emergency shelter which is available to rough sleepers through the No Second Night Out Initiative, and to assist Worcester City and Wychavon District Councils in discharging their duty to homeless people, provide Crash Pads: short term accommodation for single homeless people.

Our site, as well as being the home of our residents, has continued to be visited and enjoyed by a great variety of groups and individuals. We continue to host the work of partner homeless organisations in the City. It has been good to see residents and clients from St Paul's Hostel, Maggs Day Centre and other voluntary sector organisations on our site.

Also among our regular visitors are senior citizens attending our weekly lunch club, users of the gym, table tennis clubs and the footballers. Our various meeting rooms have continued to be used for weekly groups, for conferences and by local support groups for those affected by addiction to alcohol and drugs.

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Strategy: Sustain service (Continuous improvement in quality and value for money; Increase unrestricted funding and social enterprise; Diversify and maintain a balance between housing and other provision; Increase the use of appropriate volunteers; Increase the number of partners, including faith communities and the wider YMCA movement, with whom we unite; Diversify across each district; Increase participation).

Highlighted achievements:

With Worcestershire YMCA we have recruited a Business Manager with a view to increasing unrestricted funding and undertaken joint fundraising events. Together we have also explored further partnership working with local councils, the private sector, local college and local churches.

During the year we adopted the national YMCA brand across the organisation, this should build business development and awareness in the county and closer relationships with other YMCAs across the country.

We continue to work in partnership with Worcestershire County Council, Redditch Borough Council, District Councils in Malvern Hills, Wychavon and Bromsgrove. Local Partnerships continued with Heart of Worcestershire College and the HMP Hewell placement programme. Partnerships with local churches have increased through the work of our Christian Spiritual Development Coordinator.

We have been pleased to have a number of volunteers work with us during the year in a variety of areas.

We continue to operate a relief fund to encourage the uptake of work by residents through offsetting some of the cost of rent where the individual would otherwise be disadvantaged by accepting work due to the loss of benefits.

Christian Spiritual Development incorporates a number of elements which work towards the development of our Christian mission at the YMCA. These include chaplaincy and pastoral care, church development projects and working alongside our existing provisions to incorporate Christian Spirituality into each area of service delivery. Over the past year YMCA has partnered with churches across the county to develop services for children and young people. We are also pleased to have continued our work through Unify, a UK mission conference connecting YMCA's who share a passion to understand and develop our Christian mission. We have also offered the Journey to Freedom program which is a change program based on Christian principles.

We are particularly grateful to those who have made grants and donations to our charity and also to the various local authorities and other partners who continue to provide much needed funds and support for the continuation and expansion of our work.

Our policies, driven by our Christian ethos and values are an integral part of how we want our faith basis to be put into practice in everyday life within our activities and how we strive to show faith in action. In respect of equality, diversity & involvement, safeguarding & protection, health & safety, data & information confidentiality and the environment we have commenced a process of annual self-evaluation.

We remained active in working with other agencies to ensure the safeguarding of children and vulnerable adults in Worcestershire. We have continued to be proactive in our management of premises in relation to health and safety and of staff in terms of training and development. The Health & Safety officer shared with Worcestershire YMCA has succeeded in ensuring our compliance in the activities which we deliver.

Value for Money

Value for money forms part of our sustain service strategy. To improve our value for money we re-tendered our utilities contracts using a procurement consultant, which produced a saving of just under £10,000 per annum and we are continuing to review utilities costs across the business. At the time of writing, all of our accommodation is full, with waiting lists in a number of schemes which ensures that when we have a vacancy we can minimise the period in which it is empty.

The consolidation of activities across the group continues to present opportunities to increase value for money and dilute costs over a broader base.

WORCESTER YMCA

REPORT OF THE BOARD

Public Benefit

The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the board has considered how planned activities will contribute to the aims and objectives set.

Communities and particularly young people within the County of Worcestershire benefit from our work. We work with young people and vulnerable adults. Our activities include work with school age children outside school throughout the year; work with young people and adults in formal and informal education, leisure activities and in support towards independent living. We engage in preventative work and offer residential accommodation. Our main site is a community facility available to the public.

We recognise the importance of responding to the needs of the community and allowing them to influence the charitable company's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings. We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board. Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.

Plans for future periods

The overall performance last year affects our medium to long term strategy:

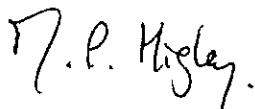
Our assessment of performance in the year is used to inform our medium to long term strategy. In view of the pending disposal of our main site, we are reviewing our strategies. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation as it deals with consolidating activities in the face of reduced public spending. The organisation has begun to invest in its infrastructure to ensure a comprehensive and cohesive offer can be made to more potential beneficiaries.

Our main objectives for next year:

Young People and Adults:

To plan for a sustainable delivery model in the City following the disposal of our main site ensuring we meet the needs of young people in the City.

By order of the Board



M Higley
Chair
25 September 2017

YMCA Hostel
Henwick Road
St Johns
Worcester
WR2 5NS

Tel: 01527 61643

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

We have audited the financial statements of Worcester YMCA for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, 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 Trustees and auditors

As explained more fully in the Statement of Board Responsibilities, as set out on page 4, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that the financial statements 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Board 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 misstatement or inconsistencies we consider the implications for our report.

Opinion on the 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 incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

WORCESTER YMCA

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WORCESTER YMCA**

Opinion on other matters prescribed by Companies Act 2006

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

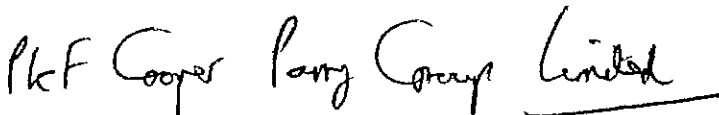
- the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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



Simon Atkins FCA
Senior Statutory Auditor

for and on behalf of:
PKF Cooper Parry Group Limited
Chartered Accountants
Statutory Auditors

Park View
One Central Boulevard
Blythe Valley Business
Park
Solihull B90 8BG

25 September 2017

WORCESTER YMCA

STATEMENT OF FINANCIAL ACTIVITIES
(Including an income and expenditure account)
YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income from:					
Voluntary income	3	2,325	-	2,325	74,062
Other trading activities	4	42,658	-	42,658	58,069
Investment income		28	-	28	82
Charitable activities	5	802,250	69,262	871,512	1,026,863
		-----	-----	-----	-----
Total income		847,261	69,262	916,523	1,159,076
		-----	-----	-----	-----
Expenditure on:					
Charitable activities	6	613,182	58,093	671,275	1,188,683
		-----	-----	-----	-----
Total resources expended		613,182	58,093	671,275	1,188,682
		-----	-----	-----	-----
Net Income / (expenditure) for the year before other recognised gains and losses		234,079	11,169	245,248	(29,607)
		-----	-----	-----	-----
Other recognised gains and losses					
Unrealised gain on revaluation of freehold property	14	-	-	-	944,609
		-----	-----	-----	-----
Net movement in funds		234,079	11,169	245,248	915,002
		-----	-----	-----	-----
Reconciliation of funds					
Fund balance at 1 April 2016		1,132,920	174,280	1,307,200	392,198
		-----	-----	-----	-----
Fund balance at 31 March 2017	16	1,366,999	185,449	1,552,448	1,307,200
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The accompanying notes form part of these financial statements.
The statement of financial activities includes all gains and losses recognised in the year.
All activities derive from continuing operations.

WORCESTER YMCA

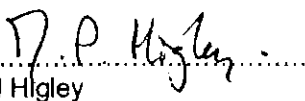
BALANCE SHEET

AT 31 MARCH 2017

Registered Company Number: 05056873

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	11		7,745		12,336
Investments	12		690		895
			<u>8,435</u>		<u>13,231</u>
Current assets					
Freehold property	14	1,300,000		1,300,000	
Stock		2,144		2,143	
Debtors	13	218,853		128,309	
Cash at bank and in hand		176,960		78,428	
		<u>1,697,957</u>		<u>1,508,880</u>	
Creditors: amounts falling due within one year	15	(64,884)		(118,838)	
Net current assets			<u>1,633,073</u>		<u>1,390,042</u>
Total assets less current liabilities			<u>1,641,508</u>		<u>1,403,273</u>
Provision for liabilities and charges	21		(89,060)		(96,073)
Net assets			<u><u>1,552,448</u></u>		<u><u>1,307,200</u></u>
Represented by					
General funds	16		521,344		293,991
Pension reserve	16		(98,954)		(105,680)
Revaluation reserve	16		944,609		944,609
Restricted funds	16		185,449		174,280
Total funds			<u><u>1,552,448</u></u>		<u><u>1,307,200</u></u>

Approved by the Board on 25 September 2017


M Higley

The accompanying notes form part of these financial statements.

WORCESTER YMCA

STATEMENT OF CASH FLOWS
for the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	98,352	22,130
Cash flows from investing activities			
Payments to acquire tangible fixed assets		-	(1,054)
Change in cash and cash equivalents during the year	19	<u>98,352</u>	<u>21,076</u>

The accompanying notes form part of these financial statements.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1 Legal status

Worcester YMCA is a company limited by guarantee with members required to contribute up to a maximum of £1 should there be a deficiency on winding up. The company is registered under the Companies Act 2006 and is a registered charity. The accounts are prepared in sterling and rounded to the nearest £1.

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of accounting

The accounts have been prepared in accordance with UK applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Going concern

The financial statements have been prepared on the going concern basis as the Board believes that no material uncertainties exist. The Board has considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income including grants, gifts and legacies is included in full when there is certainty of receipt.

Income from the hire of facilities is recognised as the related services are provided.

Investment income is recognised on a receivable basis.

Income from charitable activities includes Supporting People grant income which is recognised as earned when the related services are provided. Rental income for accommodation is accounted for when it becomes receivable. Income from education and training activities includes income received under contract, subject to specific performance conditions.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. The costs of all activities include a share of support costs, the individual elements of which are apportioned to each activity on the basis of direct time spent thereon. Direct costs relating to particular activities are allocated directly.

Costs of generating voluntary income include staff costs associated with that activity.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

Accounting policies (continued)

Costs of generating funds include related staff costs and direct costs incurred in those activities.

Charitable activities costs include a direct allocation of staff and other direct costs and an apportionment of support costs.

Governance costs comprise those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its estimated useful life, as follows:

Freehold buildings	Over 10 or 32 years
Fixtures and Fittings	20% straight line
Computer equipment	20% straight line

Investments

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Stock

Stock is valued at the lower of cost and net realisable value.

Current asset property

Freehold property held for resale is included at open market value.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

Worcester 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 Worcester YMCA, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 21, Worcester YMCA has a contractual obligation to make pension deficit payments of £9,897 per annum over the period to April 2027 and, accordingly, this is shown as a liability in these accounts. In addition, Worcester YMCA is required to contribute £1,561 per annum to the operating expenses of the pension plan and these costs are charged to the statement of financial activities as they are incurred.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

Accounting policies (continued)

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary.

In addition, all staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions. The contributions are charged to the Statement of Financial Activities as made.

3 Voluntary Income

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Grants from other charities	750	-	750	71,008
Donations and legacies	1,575	-	1,575	3,054
	<u>2,325</u>	<u>-</u>	<u>2,325</u>	<u>74,062</u>

In 2016 of the voluntary income £3,054 was attributable to unrestricted funds and £71,008 was attributable to restricted funds.

4 Other trading activities

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Hiring of facilities	42,658	-	42,658	51,087
Other income	-	-	-	6,982
	<u>42,658</u>	<u>-</u>	<u>42,658</u>	<u>58,069</u>

In 2016 all of the other trading activities income was attributable to unrestricted funds.

5 Charitable activities

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Residential accommodation	738,671	-	738,671	773,095
Children and youth services	63,580	69,262	132,841	253,768
	<u>802,250</u>	<u>69,262</u>	<u>871,512</u>	<u>1,026,863</u>

In 2016 of the charitable activities income £812,088 was attributable to unrestricted funds and £214,775 was attributable to restricted funds.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

6 Resources expended

	Administration £	Accommodation £	Children and Youth £	2017 Total £	2016 Total £
Direct costs					
People related	41,219	29,400	341,568	412,187	724,752
Premises related	15,201	10,842	125,963	152,006	218,531
Vehicle related	407	290	3,373	4,070	5,362
Office expenses	3,470	2,475	28,751	34,696	45,711
Other direct expenses	4,357	3,108	36,109	43,574	53,309
Indirect costs					
Overheads	3,740	2,668	30,994	37,402	44,683
Depreciation	459	327	3,805	4,591	45,631
Other costs	(1,725)	(1,231)	(14,295)	(17,251)	50,704
Total resources expended	67,128	47,879	556,268	671,275	1,188,683

Of the total expenditure of £671,275 (2016: £1,188,683), £613,182 (2016: £891,731) related to unrestricted funds and £58,093 (2016: £216,951) related to restricted funds.

Core management recharges are calculated on the basis of 12.5% of budgeted income for that service line and other specific recharges are made in accordance with the agreed bid terms.

Indirect resources expended are allocated on a staff time basis.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

7 Operating surplus

	2017	2016
	£	£
The operating surplus is arrived at after charging:		
Depreciation of tangible fixed assets	4,591	45,630
Auditors' remuneration – for audit services	3,000	3,000
	<u> </u>	<u> </u>

8 Employee costs

	2017	2016
	£	£
Salaries and wages	305,645	603,186
Social security costs	34,230	39,670
Pension and other costs	14,904	15,196
	<u> </u>	<u> </u>
	<u>354,779</u>	<u>658,052</u>

No employee had emoluments in excess of £60,000 (2016: none).

	2017	2016
	No.	No.
The average monthly number of persons employed during the year were as follows:		
Direct charitable work	24	31
Administration	-	6
	<u> </u>	<u> </u>
	<u>24</u>	<u>37</u>

The salaries of senior management are paid by the parent charitable company, Worcestershire YMCA, and recharged to this company as appropriate. The aggregate remuneration of senior management is disclosed, on a group basis, in the accounts of Worcestershire YMCA. The accounts of Worcestershire YMCA are available as detailed in note 25 to the accounts.

9 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. Expenses of £Nil (2016: £nil) were reimbursed to trustees during the year.

10 Taxation

As a charitable company, Worcester YMCA is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

11	Tangible fixed assets	Computer and other equipment £	Total £
	Cost		
	At 1 April 2016 and 31 March 2017	133,494	133,494
	Accumulated depreciation		
	At 1 April 2016	121,158	121,158
	Charge for year	4,590	4,590
	At 31 March 2017	125,748	125,748
	Net book value		
	At 31 March 2017	7,745	7,745
	At 31 March 2016	12,336	12,336
12	Investments	2017 £	2016 £
	COIF Charities Investment		
	Market value at 1 April 2016	895	895
	(Loss) / gain on revaluation	(205)	-
	Market value at 31 March 2017	690	895
13	Debtors	2017 £	2016 £
	Rental income	25,220	28,038
	Other debtors	193,633	63,873
	Prepayments and accrued income	-	36,398
		218,853	128,309
14	Property held as current asset		

The freehold property at Henwick Road is being marketed for sale. The property was revalued as at 31 March 2016 by Katherine Price (Msc MRICS) of Andrew Price Professional Services. The market value of £1,300,000 is included in these accounts.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	13,204	23,822
Other taxes and social security costs	15,384	8,032
Accruals and deferred Income	17,336	72,100
Other creditors	18,960	14,884
	<hr/>	<hr/>
	64,884	118,838
	<hr/>	<hr/>

Included in accruals and deferred income above is deferred income of £8,216 (2016: £10,731) and this is analysed below:

	£
Deferred income brought forward	10,731
(Utilised) / deferred during the year	(2,515)
	<hr/>
	8,216
	<hr/>

The amounts are deferred when the charitable company does not have unconditional entitlement to the income or when the invoice relates to the delivery of a service and is therefore only recognised to the extent that the charitable company has provided the service.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

16 Movement in funds

	Balance at 1 April 2016 £	Incoming £	Outgoing £	Revaluation £	Balance at 31 March 2017 £
General fund	293,991	847,261	(619,908)	-	521,344
Revaluation reserve	944,609	-	-	-	944,609
Pension reserve	(105,680)	-	6,726	-	(98,954)
Total unrestricted funds	1,132,920	847,261	(613,182)	-	1,366,999
Restricted funds					
Foyer grants	82,286	-	-	-	82,286
National Lottery Charities Board	103,163	-	-	-	103,163
Supporting People	(11,169)	69,262	(58,093)	-	-
Total restricted funds	174,280	69,262	(58,093)	-	185,449
Total funds	1,307,200	915,523	(671,275)	-	1,552,448

Purpose of restricted funds

Foyer grants

These represent New Opportunities funding for the establishment of Worcester YMCA Foyer.

National Lottery Charities Board

This was the provision of capital funding for the Worcester YMCA Foyer.

Supporting People

Funding to provide small grants to residents resettled in new tenancies purchasing basic essential household items and equipment.

Grants from other charities

Various small grants and donations to fund projects run by Worcester YMCA.

17 Analysis of net assets between funds

	Fixed assets £	Investments £	Current assets £	Creditors falling due within one year £	Total £
Unrestricted funds	7,745	690	1,447,624	(89,060)	1,366,999
Restricted funds	-	-	185,449	-	185,449
Net assets at 31 March 2017	7,745	690	1,633,073	(89,060)	1,552,448

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

18	Cash flows from operating activities		2017	2016	
			£	£	
	Reconciliation to changes in resources				
	Net movement in funds		245,248	915,002	
	Depreciation of tangible fixed assets		4,590	45,631	
	Reduction in value of investment		205	-	
	Decrease in debtors		(90,543)	(17,861)	
	Decrease in stock		(1)	(652)	
	Decrease in creditors		(53,954)	30,868	
	(Decrease)/increase in provisions		(7,013)	(6,249)	
	Revaluation of fixed assets		-	(944,609)	
			<hr/>	<hr/>	
			98,532	22,130	
			<hr/> <hr/>	<hr/> <hr/>	
19	Change in cash and cash equivalents		2017	2016	
			£	£	
	Increase in cash in the period		98,532	21,076	
			<hr/>	<hr/>	
			98,532	21,076	
	Movement in net funds				
	Net funds at 1 April 2016		78,428	57,352	
			<hr/>	<hr/>	
	Net funds at 31 March 2017		176,960	78,428	
			<hr/> <hr/>	<hr/> <hr/>	
20	Analysis of net debt				
		At 1 April	Cash	Non-cash	At 31 March
		2016	Flow	Changes	2017
		£	£	£	£
	Cash at bank and in hand	78,428	98,532	-	176,960
		<hr/>	<hr/>	<hr/>	<hr/>
		78,428	98,532	-	176,960
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

21 Pension costs

Worcester 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 Worcester 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 Worcester YMCA and accordingly the 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.

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. Worcester YMCA has been advised that it will need to make monthly contributions of £825 from 1 May 2017. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 12 years commencing 1st May 2015.

	Within 1 year £	One to two years £	Two to five years £	After five years £	After more than one year £	Total 2017 £	Total 2016 £
As at 31 March 2017	<u>9,896</u>	<u>9,896</u>	<u>29,686</u>	<u>49,478</u>	<u>89,060</u>	<u>98,955</u>	
As at 31 March 2016	<u>9607</u>	<u>9,607</u>	<u>28,821</u>	<u>57,645</u>	<u>96,073</u>		<u>105,680</u>

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

YMCA contributory pension scheme

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year is shown in note 8. The amount outstanding at the year-end was £7,894 (2016: £5,277).

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

22 Capital commitments

Capital expenditure contracted for but not provided in the accounts is £nil (2016: £nil).

23 Financial commitments

At the year end the charitable company had minimum lease payments under operating leases which expire:

	2017	2016
	Other	Other
	£	£
Within one year	829	-
Within two to five years	960	3,379
	<hr/> <hr/>	<hr/> <hr/>

24 Related Party Transactions

No members of the Board or other person related to the organisation had any personal interest in any contract or transaction entered into by the charitable company during the year (2016: nil).

During the year Worcester YMCA was recharged expenses of £96,839 during the year. Worcester YMCA was owed £153,332 (2016: £41,881) at the year end. The movement relates to net cash movements during the year and the recharges noted above.

25 Ultimate controlling party

Worcester YMCA is controlled by Worcestershire YMCA Limited. Consolidated accounts are available from the head office of Worcestershire YMCA at Gordon Anstis House, Loxley Close, Redditch, Worcestershire B98 9JS.