

FOREST YOUNG MEN'S CHRISTIAN ASSOCIATION OF EAST LONDON

(Limited by Guarantee)

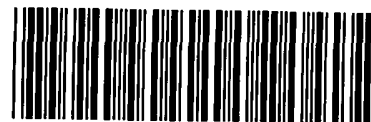
Company Number : 2493571

Registered Charity Number: 803442

REPORT AND ACCOUNTS

For the year ended
31 March 2017

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REFERENCE AND ADMINISTRATIVE DETAILS

STATUS	Company limited by guarantee without share capital	
REGISTERED OFFICE	St James House 9-15 St James Road Surbiton, Surrey KT6 4QH	
REGISTRATION NUMBERS	Charity	803442
	Company	2493571
COMPANY NAME	Forest Young Men's Christian Association of East London	
WORKING NAME	YMCA East London	
BOARD OF DIRECTORS	<p>The directors of the charitable company ("The Association") are its trustees for the purpose of charity law and throughout this report are collectively referred to as 'the Trustees'.</p> <p>Kathy Morrissey (Chair)</p> <p>Ken Youngman</p> <p>Andrew Palmer Appointed 20 December 2016</p> <p>Colin Archer Appointed 23 May 2016</p> <p>Howard Dawson Appointed 20 December 2016</p> <p>Louise Hedges Appointed 20 December 2016</p> <p>Elisabeth Judge Appointed 20 December 2016</p> <p>Michael Parker Appointed 20 December 2016</p> <p>Michael Parker Resigned 13 May 2017</p> <p>Christine Brown Resigned 20 December 2016</p> <p>Keith Everitt Resigned 20 December 2016</p> <p>Eileen Flinter Resigned 26 September 2016</p> <p>Beverley Toney Resigned 20 December 2016</p> <p>Jonathan Hick Resigned 26 September 2016</p> <p>Jacqueline Thomas Resigned 20 December 2016</p> <p>John Delahunty Resigned 4 October 2016</p>	
SECRETARY	Gwynne Jarvis	Appointed 19 April 2017
	Jessica Laryea	Resigned 19 April 2017

EXECUTIVE LEADERSHIP TEAM

Chief Executive	Richard James Appointed 20 December 2016
Director of Finance	Fred Angole
Director of Estates	Jessica Laryea
Director of Corporate Services	Marjorie James
Interim Chief Executive	Robin Smith Resigned 20 December 2016

AUDITORS

BDO LLP
55 Baker Street
London W1U 7EU

PRINCIPAL SOLICITORS

Bates, Wells Braithwaite London LLP
10 Queen Street
London EC4R 1BE

PRINCIPAL BANKERS

NatWest Bank plc
2nd Floor
Argyll House
246 Regent Street
LONDON
W1B 3PB

The Association is affiliated to the National Federation of YMCA England - and thus also to the worldwide alliance of YMCAs.

TRUSTEES' REPORT

As Trustees and Directors of the Company under the Companies Act 2006, we present our report and financial statements for the year ended 31 March 2017.

This is our formal report and contains the required statutory information, full financial statements and a brief summary of our activities.

OBJECTIVES AND ACTIVITIES

Structure, Purpose and Principal Activities

Structure

YMCA East London was founded in 1969 through the merger of Plaistow, Forest Gate, and Walthamstow & Harrow YMCAs – who had all faithfully served their local East and North London communities since the 1860s.

In December 2016, YMCA London South West took over the management of YMCA East London and on 31 March 2017, the activities and all the assets and liabilities of the association were transferred in their entirety to YMCA London South West and the company has been dormant since.

YMCA London South West ("YLSW") has been operating since 1874 and is an inclusive organisation, which respects and honours its Christian foundations. As part of the YMCA global movement, our vision is to be at the heart of a thriving local community in which young people truly belong, contribute, and thrive.

Details of YMCA London South West are:

REGISTERED AND PRINCIPAL OFFICE

St James House
9-15 St James Road
Surbiton, Surrey
KT6 4QH

REGISTERED NUMBERS

Company	2971930
Charity	1041923
HCA	LH4078

Trading name

With effect from 24th October 2015, Forest YMCA has been trading as **YMCA East London**.

Purpose

As part of the YMCA global Movement our vision is to be at the heart of a thriving local community in which young people truly belong, contribute and thrive.

Our concern for the welfare of young people and their communities is motivated by our Christian faith and the five core values of the YMCA:

- **We seek out:** we actively look for opportunities to make a transformative impact on young lives in the communities where we work, and believe that every person is of equal value.
- **We welcome:** we offer people the space they need to feel secure, respected, heard and valued, and we always protect, trust, hope and persevere.
- **We inspire:** we strive to inspire each person we meet to nurture their body, mind and spirit, and to realise their full potential in all they do.
- **We speak out:** we stand up for young people, speak out on issues that affect their lives, and help them to find confidence in their own voices.
- **We serve others:** we are committed to the wellbeing of the communities we serve and believe in the positive benefit of participation, locally and in the wider world.

Principal Activities

YMCA East London gives young people the opportunity to fulfil their potential in body, mind and spirit. We currently deliver this through five work streams, with youth services running across all:

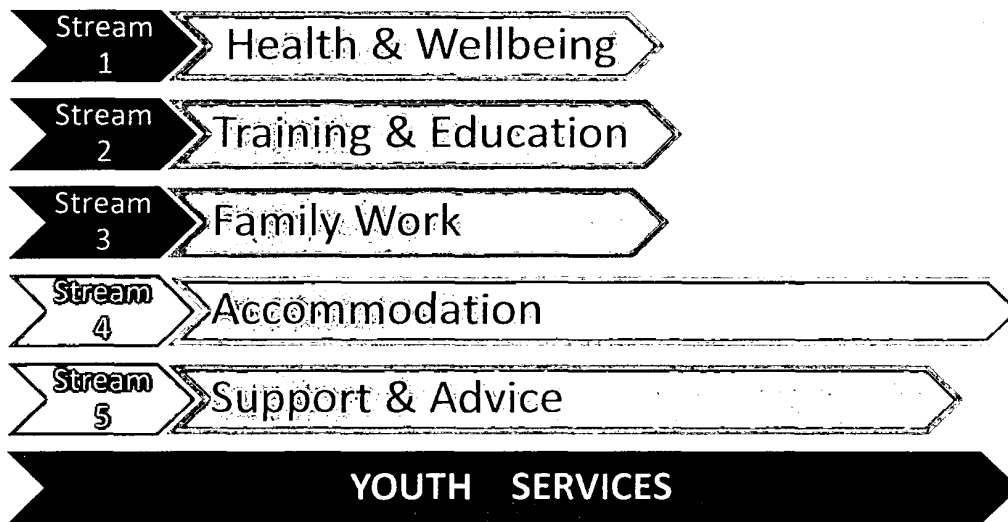


Fig 1. YMCA East London Work Streams

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

We work across East London but have a particular focus in two London boroughs. Our main centre is in Waltham Forest and we do a lot of work in this area. We also work across

Redbridge through a range of partners. In addition, and alongside our neighbouring YMCA partners, we are increasingly looking to fill gaps in provision across the other East London boroughs.

Objectives and Strategies

Charitable objectives

The charitable objectives of the Association are aligned with the YMCA England Strategic Framework. These are to:

- Increasing our impact
- Extending our influence
- Working together better
- Shaping our future

Details of strategies and measuring success can be found in the consolidated accounts of YMCA London South West.

Public Benefit

The main activities undertaken by YMCA East London to further the Charity's purposes for public benefit are (i) Health and wellbeing: wide-ranging, friendly and inclusive community fitness and leisure facilities; youth-focused sport and wellbeing services (ii) Training and education: skills development for children and young people (iii) Family work: a range of childcare, out-of-school and community activities (iv) Accommodation: housing young people in a range of accommodation, supporting them on their journey to independence, and (v) Support and advice: on benefits, education and employment, and health and wellbeing.

The main activities undertaken by YMCA East London to further the Charity's purposes for public benefit are (i) Health and wellbeing: wide-ranging, friendly and inclusive community fitness and leisure facilities; youth-focused sport and wellbeing services (ii) Training and education: skills development for children and young people (iii) Family work: a range of childcare, out-of-school and community activities (iv) Accommodation: housing young people in a range of accommodation, supporting them on their journey to independence, and (v) Support and advice: on benefits, education and employment, and health and wellbeing.

As Trustees, we confirm that we have complied with Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

Political Donations

We do not make political donations.

Statement of Trustees responsibilities

As Trustees, we are responsible for preparing the Annual Report, including the Strategic Report, and the Financial Statements in accordance with applicable law and United Kingdom generally accepted accounting practice. Company, Charity and Registered Provider law requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these statements, we are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates which are reasonable and prudent
- state whether applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will be able to continue to meet its objectives

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable us to ensure that the financial statements comply with the Companies Act 2006, the Housing & Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2015. We are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

FINANCIAL REVIEW

Finances

Income

Total incoming resources have increased by £100k from 2016 to 2017.

Lettings income has seen an increase of £365k (8%). This increase is largely due to increase in licence fee levels.

Expenditure

Total resources expended have increased in the period by a total of £594k (11%), from 2016 to 2017.

FRS102

In preparing the financial statements of the organisation, advantage has been taken of the following disclosure exemptions available in FRS 102 to subsidiary undertaking:

- No cash flow statement has been presented for the association
- No disclosure has been given for related party transactions entered into between two or more members of the group

Principal sources of funds

The Association's principal sources of funds are licence fee income, income from the provision of after schools clubs and Supporting People grant. These funds support the Associations

objectives by enabling us to provide social supported housing for vulnerable young people and support their wellbeing.

Disposal Proceeds Fund

YMCA East London does not have a Disposal Proceeds Fund as the Association does not have any relevant disposals.

Fixed Assets

At 31 March 2017 the association transferred all its fixed assets at a book value of £12million to its parent organisation, YMCA London South West.

Reserves Policy

At 31 March 2017 had no reserves as all its activities and assets were transferred to its parent organisation , YMCA London South West.

Provision of information to the Auditors

So far as each trustee is aware, at the time this report is approved:

- *there is no relevant information of which our auditors are unaware*
- *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 auditors are aware of the information*

Charity as a going concern

The charity was a going concern up to 31 March 2017 when it transferred all the assets and activities to the parent organisation and has been dormant since 1 April 2017.

The net assets were transferred as a Donation In Kind at the following book values as at 31 March 2017

	£
Fixed Assets	12,049,279
Current assets:	
Stocks	9,104
Debtors	785,479
Cash at bank and in hand	706,359
Total current assets	1,500,942
Liabilities:	
Creditors: Amounts falling due within one year	(1,775,620)
Creditors: Amounts falling due after more than one year	(8,536,924)
	3,237,677

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status

YMCA East London is registered as a company limited by guarantee in the name of Forest Young Men's Christian Association of East London Limited. It is also a registered charity.

This Trustee's Report was approved by the Board on 7th December 2017.



On behalf of the Board
Andrew Palmer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST YOUNG MEN'S CHRISTIAN ASSOCIATION OF EAST LONDON.

We have audited the financial statements of Forest Young Men's Christian Association of East London for the year ended 31 March 2017 which comprise of financial activities, the balance sheet 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).

This report is made solely to the association's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 trustees and auditor

As explained more fully in the statement of board responsibilities, the board members 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2017 and of the association's 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2015.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and Trustees' report of the Board have been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the association and its environment obtained during the course of the audit we have identified no material misstatements in the Trustees' report.

- adequate accounting records have not been kept by the association, or returns adequate for our audit have not been received from branches not visited by us; or
- the association 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.



Philip Cliftlands (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex
United Kingdom
Date 13 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Please note that the copy of the accounts that will be filed with Companies House will be signed BDO LLP, rather than with the Partner's name. Copies of accounts that are published (including on websites) do not require a signature.

FOREST YOUNG MEN'S CHRISTIAN ASSOCIATION OF EAST LONDON

Company Registration number 2493571

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2017

Note	Unrestricted Funds		Restricted Funds		2017 Total funds	2016 Total funds
	Housing Activities	Non-Housing Activities	Charitable Activities			
	£	£	£	£	£	£
Income from:						
Donations and gifts	-	367	14,703	15,070	57,869	
Charitable activities:						
Lettings	2 4,825,341	-	-	4,825,341	4,460,436	
Supporting People	-	-	132,855	132,855	447,768	
Youth Projects	-	-	118,221	118,221	143,567	
Family & Childcare	-	617,373	-	617,373	512,685	
Leisure Services	-	-	-	-	-	
Function Room hire	-	-	-	-	-	
Catering	-	77,494	-	77,494	20,241	
Brooksfarm	-	2,862	-	2,862	67,222	
Social Housing Grant	81,928	-	-	81,928	172,343	
Investments	-	(1)	-	(1)	366	
Other						
Phone Mast Income	-	63,048	-	63,048	58,837	
Other incoming resources	1,430	184,397	-	185,827	112,569	
Total	4,908,699	945,540	265,779	6,120,018	6,053,903	
Expenditure on:						
Raising funds	-	-	118,573	118,573	80,090	
Charitable activities:						
Lettings	2 4,216,884	-	-	4,216,884	3,362,154	
Supporting People	-	-	117,318	117,318	563,824	
Youth Projects	-	-	204,688	204,688	137,133	
Family & Childcare	-	794,149	-	794,149	620,975	
Catering	-	317,600	-	317,600	228,896	
Brooksfarm	-	15,529	-	15,529	198,653	
Total	4,216,884	1,127,278	440,579	5,784,741	5,191,725	
Net income/ (expenditure) before transfers	691,815	(181,738)	(174,800)	335,277	862,178	
Loss on disposal of property	-	-	(504,740)	(504,740)	-	
Release of grant relating to disposed property	293,855	-	-	293,855	-	
Donation in Kind	(1,973,077)	-	(1,264,600)	(3,237,677)	-	
Transfers between funds	(181,738)	181,738	-	-	-	
Net movement in funds	(1,169,145)	-	(1,944,140)	(3,113,285)	862,178	
Reconciliation of funds:						
Total funds brought forward	1,154,003	-	1,959,282	3,113,285	2,251,107	
Total funds carried forward	(15,142)	-	15,142	-	3,113,285	

FOREST YOUNG MEN'S CHRISTIAN ASSOCIATION OF EAST LONDON

Company Registration No 2493571

BALANCE SHEET AT 31 MARCH 2017

	Notes	<u>2017</u> £	2016 £
Fixed assets:			
Intangible assets	6	-	7,833
Tangible assets	7	-	12,729,732
		-	12,737,565
Investments		-	2
Total fixed assets		-	12,737,567
Current assets:			
Stocks		-	10,335
Debtors	8	-	444,020
Cash at bank and in hand		-	519,390
Total current assets		-	973,745
Liabilities:			
Creditors: Amounts falling due within one year	9	-	(1,530,267)
Net current assets or liabilities		-	(556,522)
Total assets less current liabilities		-	12,181,045
Creditors: Amounts falling due after more than one year	10	-	(9,067,760)
Total net assets		-	3,113,285
The funds of the charity:			
Unrestricted property reserve		(15,142)	1,154,003
Restricted charitable reserve		15,142	1,959,282
Total funds		-	3,113,285

The financial statements on pages 13 to 26 were approved and authorised for issue by the Board of Trustees on 7th December 2017

On behalf of the Board



Andrew Palmer

NOTES TO FINANACIAL STATEMENTS

1. ACCOUNTING POLICIES

Forest Young Men's Christian Association of East London (trading as YMCA East London) is a company limited by guarantee, incorporated in England and Wales, and its registered office is St James House, 9-15 St James Road, Surbiton, Surrey, KT6 4QH.

YMCA East London meets the definition of a public benefit entity under FRS 102.

The following accounting policies which have been applied consistently in dealing with items are considered material in relation to the YMCA East London.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for YMCA East London includes FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2014, "Accounting by registered social housing providers" 2014, the Accounting Direction for Private Registered Providers of Social Housing from April 2015, "Accounting and Reporting by Charities, Statement of Recommended Practice (revised 2015)" issued by the Charity Commission (Charities SORP 2015), where this does not conflict with the Housing SORP and Companies Act 2006.

1.2 PRESENTATION OF FINANCIAL STATEMENTS

YMCA East London became a wholly owned subsidiary of YMCA London South West in December 2016. The two Associations; YMCA London South West and YMCA East London combined operation in December 2016 by appointing a single Board which took responsibility for governance of both the organisations.

1.3 FUND ACCOUNTING

Any funds that are restricted in nature are identified on receipt and are recorded as separate funds in the financial statements. Expenditure of the restricted funds is recognised by way of a transfer to the income and expenditure reserve.

The Trustees designate funds for specific purposes. Transfers are made between the income and expenditure reserve and the designated reserves to ensure that the value of the designated reserves accords with the designations made by the Trustees.

The Income and Expenditure Reserve represents the free reserves of the Association which are neither restricted as to use nor restricted for specific purposes.

1.4 RECOGNITION OF INCOME

Income is recognised when the Group has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The Charity has a variety of sources of income and accounts for them as described below:

- a) Grant Accounting: At present only Government capital grants have been received. The basis of accounting adopted is Historic cost under the Accrual model.
- (i) Government capital grant: Grant received is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2014 the useful economic life of the housing property structure has been selected (see table of useful economic lives below).

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants for capital purchases are credited to restricted incoming resources when the recognition criteria are met. Depreciation of fixed assets purchased from the grant is charged against the restricted fund over the life of the asset.

Where repairs to housing properties have been financed wholly or partly by housing association grants, the grant has been recognised in the period in which the costs were incurred.

- (ii) Other Grants: Revenue grants are recognised when the company is entitled to the grant, when the grant can be measured reliably and when it is certain that they are receivable. Restricted grants received in respect of future delivery are deferred where the terms and conditions of recognition are not yet met.
- b) Incoming Resources: This comprises lettings income, income generated from charitable trading activities and grants. Lettings income and trading income are recognised when the company has provided the related service.
- c) Supporting People: Income relating to Supporting People activities is recognised on the basis of contracted hours worked.

1.5 EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Resources expended are recognised in the period in which they are incurred, as follows:

- a) Charitable activities: These represent expenditure on the Charity's core activities.
- b) Governance costs: These include the governance of the charity primarily associated with constitutional and statutory requirements.
- c) Support costs: These costs which are not directly attributable to any specific activity are apportioned between the various charitable activities on the basis of central recharge to the cost centres as per their turnovers, as disclosed in note 3 to the accounts. The accounts and their comparatives have been re-stated to allocate governance costs to support costs.
- d) Supporting People: Expenditure relating to Supporting People activities is recorded as incurred.
- e) Value Added Tax: Resources expended include attributed VAT which cannot be recovered. Expenditure is stated net of VAT except where there is a proportion of irrecoverable VAT which is reported within the relevant expenditure.

1.6 PENSIONS ACCOUNTING POLICY

YMCA East London participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East London, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 11, YMCA East London has a contractual obligation to make pension deficit payments of £40,937 per annum over the period to April 2027; accordingly this is shown as a liability in these accounts. In addition, YMCA East London is required to contribute £8,416 per annum to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities, as made.

1.7 TANGIBLE ASSETS

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Main fabric	Over 100 years
Roof structures and Coverings	Over 70 years
Electrics	Over 40 years
Windows and external doors	Over 30 years
Bathroom/ WCs	Over 30 years
Mechanical systems (heating, ventilation, plumbing)	Over 30 years
Kitchen	Over 20 years
Lift	Over 20 years
Gas boilers/ fires	Over 15 years
Computer Hardware and software	Over 5 years
Motor Vehicle	Over 5 years
Furniture and Fittings	Over 3 years

1.8 STOCKS

These comprise provisions and recreation stocks, cleaning materials, stationery and computer spares. Stocks are valued at cost or net realisable value where that is lower than cost.

1.9 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the financial instrument.

Debtors

Debtors do not carry any interest and are stated at their nominal value. Appropriate allowances for bad debt provision are recognised in the Statement of Financial Activities and when there is objective evidence that the asset is impaired.

Cash and cash equivalents

These comprise cash at bank and in hand and overdrafts. No deposits are held.

Trade Creditors

Trade Creditors are not interest bearing and are stated at their nominal value.

Debt instruments

Basic debt instruments exist which are in the main development loans with the NatWest Bank all being commercial loans.

1.10 IMPAIRMENT POLICY

The impairment of fixed assets is reviewed annually and provisions made where necessary. Where there is evidence of long term impairment, fixed assets are written down to recoverable amounts. Any such write downs are charged to the statement of financial activities.

At the end of the year, the Charity also assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, an impairment loss is recognised immediately. In the case of debtors, this is included in the bad debt provision.

1.11 HOLIDAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and is carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

1.12 LEASES

Payments under operating leases are expended on a straight line basis over the life of the lease.

1.13 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on existing use value for social housing or depreciated replacement cost. The Board have also considered impairment based on their assumptions to define cash or asset generating units.
- Whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risk and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

Tangible fixed assets

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the condition of the asset and its futures income generating potential are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset, technological advances and projected disposal values.
- For housing property assets the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Rental and other trade receivables (debtors)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Other areas of estimation uncertainty may include:

- Project or scheme costs are capitalised on the basis that the scheme will be completed and the costs for each unit upon completion is apportioned on square feet or area of each unit. If a project or scheme becomes unfeasible then, the costs will be written off to the Income and Expenditure account, as abortive costs.

- Revenue recognition around particular contracts: income is generated from a range of sources, in particular, from rent to service charges to local authority income under a wide variety of contract types, durations and service specifications. Judgement is applied as to income recognition and recoverability on a source by source and / or contract by contract basis.

2. PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General Needs Housing 2017 £	Other Housing 2017 £	Total 2017 £	Total 2016 £
Income				
Rent receivable net of identifiable service charges	2,474,804	7,176	2,481,980	2,408,193
Service charges income	2,391,425	-	2,391,425	2,123,337
Void losses	(48,064)	-	(48,064)	(71,094)
Turnover from Social Housing Lettings	4,818,165	7,176	4,825,341	4,460,436
Operating expenditure				
Management	185,411	-	185,411	192,654
Service charge costs	533,899	-	533,899	179,905
Routine maintenance	285,326	-	285,326	161,036
Planned maintenance	951,076	-	951,076	928,128
Bad debts	123,300	-	123,300	114,262
Depreciation of housing property	308,303	-	308,303	251,892
Mortgage Interest	193,352	-	193,352	169,900
Support costs	1,636,217	-	1,636,217	1,364,377
Operating expenditure on Social Housing Lettings	4,216,884	-	4,216,884	3,362,154
Operating surplus on Social Housing Lettings	601,281	7,176	608,457	1,098,282
Operating surplus on Social Housing Lettings net of void losses	601,281	7,176	608,457	1,098,282
 Number of units under management at the end of the year			347	347

FOREST YOUNG MEN'S CHRISTIAN ASSOCIATION OF EAST LONDON
Company Registration number 2493571
Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

3. CHARITABLE ACTIVITIES AND EXPENDITURE

	Direct Costs	Support Costs	Total 2017	Total 2016
	£	£	£	£
Raising funds	56,046	62,527	118,573	80,090
Lettings	2,580,667	1,636,217	4,216,884	3,362,154
Supporting People	72,269	45,050	117,319	563,824
Family & Childcare	584,805	209,344	794,149	620,975
Catering	291,322	26,277	317,599	228,896
Brooks farm	14,559	970	15,529	198,653
Youth Projects	204,688	-	204,688	137,133
	3,804,356	1,980,385	5,784,741	5,191,725

Allocation of Support Costs

	Letting	Supporting People	Family & Child Care	Catering	Brooks farm	Cost of Generating funds	Total 2017	Total 2016
	£	£	£	£	£	£	£	£
Office	581,802	16,019	74,438	9,344	345	22,233	704,181	541,473
Staff	673,620	18,547	86,186	10,818	400	25,742	815,312	890,288
Travel	890	25	114	14	1	34	1,077	613
Recruitment	12,269	338	1,568	197	7	469	14,848	11,999
Finance	233,788	6,437	29,912	3,755	139	8,934	282,964	187,367
Depreciation	82,223	2,264	10,520	1,320	49	3,142	99,519	69,962
IT	50,437	1,389	6,453	810	30	1,927	61,047	67,128
Other costs	1,187	33	152	19	1	45	1,437	4,752
	1,636,217	45,050	209,342	26,277	970	62,527	1,980,383	1,773,582

FOREST YOUNG MEN'S CHRISTIAN ASSOCIATION OF EAST LONDON

Company Registration number 2493571

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

4. TRUSTEES AND EMPLOYEE INFORMATION

The 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. Trustees received no remuneration and were not reimbursed any expenses in either year.

	2017	2016
Resident	41	45
Family & Childcare	23	26
Central Support	19	14
Youth work	3	3
Catering	7	4
PACE	1	1
	<u>94</u>	<u>93</u>

PACE (Practical Achievements in Creating Employment) is Forest YMCA's programme for giving residents the opportunity to gain work skills and experience within Forest YMCA. Trainees start out as volunteers, and become full employees once they have gained sufficient experience and skill. Pay for PACE trainees is typically well in excess of what would be paid to an apprentice.

Our aggregate staff payroll costs during the year were as follows:

Employee costs

	2017	2016
	£	£
Salaries and wages	2,023,671	2,210,336
Social security costs	197,163	189,575
Other pension costs	34,554	33,919
	<u>2,255,388</u>	<u>2,433,830</u>

	£	£
Redundancy and termination payments		
Statutory redundancy payments	44,255	-
Payment in Lieu of notice period	9,982	-
Ex-gratia payment for loss of office	17,797	-
Total included in Wages and Salaries	<u>72,034</u>	<u>-</u>

Directors' emoluments

The directors received no remuneration and were not reimbursed any expenses in either year.

Higher paid employees

The number of employees who earned more than £60,000 (excluding pensions) during the year was Nil (2016 Nil)

The total employee benefits (including salaries and pensions) of the key management personnel of the charity were £269,022 (2016: £ 259,559)

In addition the charity had contracted the services of the following two key personnel who were paid:

	2017	2016
Interim Chief Executive Officer	63,602	74,206
Interim Director of Finance	50,370	65,320

5. NET INCOME FOR THE YEAR

	Notes	2017 £	2016 £
Stated after charging:			
Auditors Remuneration		19,200	16,250
Depreciation	6,7	408,372	326,875
(Loss)/Profit on disposal of fixed asset		(9,713)	70,967
Operating lease rental and licenses		557,510	682,593

6. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost at 1st April 2016	14,401
Additions	-
Transferred to parent charity	(14,401)
	-
Depreciation at 1st April 2016	6,568
Charge for the year	1,200
Transferred to parent charity	(7,768)
Depreciation at 31st March 2017	-
Net book value at 31st March 2017	-
Net book value at 1st April 2016	7,833

7. TANGIBLE FIXED ASSETS

	HOUSING			NON HOUSING		
	Freehold £	Long Leasehold £	Special Housing Asset £	Fixture and Fittings £	Motor Car £	Total £
Cost at 1st April 2016	11,985,250	634,460	959,942	334,872	34,995	13,949,519
Component Additions	138,936			85,545	7,995	232,476
Disposals	(5,022)	(562,501)			(34,995)	(602,518)
Transferred to parent charity	(12,119,164)	(71,959)	(959,942)	(420,417)	(7,995)	(13,579,477)
Cost at 31st March 2017	0	0	0	0	0	0
Depreciation at 1st April 2016	830,361	79,178	90,617	193,136	26,495	1,219,787
Charge for the year	201,612	11,484	95,757	96,669	1,649	407,171
Disposals	(5,022)	(57,761)			(27,345)	(90,128)
Transferred to parent charity	(1,026,951)	(32,901)	(186,374)	(289,805)	(799)	(1,536,830)
Depreciation at 31st March 2017	0	0	0	0	0	0
Net book value at 31st March 2017	0	0	0	0	0	0
Net book value at 1st April 2016	11,154,889	555,282	869,325	141,736	8,500	12,729,732

FOREST YOUNG MEN'S CHRISTIAN ASSOCIATION OF EAST LONDON
Company Registration number 2493571
Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

8. DEBTORS

Note

	2017	2016
	£	£
Rent Debtors	-	248,357
Trade Debtors	-	21,916
Accrued Income	-	-
Other debtors and prepayment	-	173,747
	-	444,020

9. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Bank Overdraft	-	-
Mortgage Repayments	-	1,072,992
Trade Creditors	-	148,576
Other taxation and social security	-	59,648
Pension differences	-	-
Accruals	-	119,337
Deferred income SHG	11	129,714
	-	1,530,267

10. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Mortgage repayments	-	5,640,225
Deferred income SHG	-	129,714
Deferred income grant	-	2,971,930
Inter company	-	-
Pension liability	-	325,891
	-	9,067,760

	2017	2016
	£	£
Amount payable within one year	-	1,072,992
Amount payable after one year but less than 5 years	-	560,632
Amount repayable after more than five years	-	5,079,593
	-	6,713,217

The mortgages are secured on the Association's freehold properties as shown below.
The loans are due to be repaid as follows:

Lender	Security	Repayment date	Interest Rate	2017	2016
				£	£
Natwest Bank	640 Forest Road	July 2019	above LIBOR	-	6,593,214
Natwest Bank	N/A		2% above LIBOR	-	120,000
Total				-	6,713,214

11 Total Grants analysis

i)

HOUSING

NON-HOUSING

	Freehold			Fulbourne		Total
	Hostel	Brookscroft	MyPads	Road		£
	£	£	£	£	£	£
Grant - Opening balance at 1st April 2016	1,145,670	846,315	612,750	293,855	73,340	2,971,930
Amortisation in year and to date	(11,457)	(8,467)	(61,275)	-	(730)	(81,929)
Released to Income and Expenditure	-	-	-	(293,855)	-	(293,855)
Transferred to parent charity	(1,134,213)	(837,848)	(551,475)	-	(72,610)	(2,596,146)
Closing balance at 31st March 2017	-	-	-	-	-	-

ii) Clockworks SHG

£

Grant - Opening balance at 1st April 2016	259,428
Amortisation in year	(129,714)
Transferred to parent charity	(129,714)
Closing balance at 31st March 2017	-

The housing grants in (i) have only been capitalised from October 2015 and an appropriate amount of amortisation is included in the accounts. The Fulbourne Road property has been disposed the grant attached to it released to the SOFA.

Regarding Grant (ii) - In 2008 Forest YMCA received temporary Social Housing Grant of £1,297,140 towards the rent for Clockworks. The grant is being amortised over ten years, after which the grant will not be repayable. If the lease is terminated before the end of ten years, then a proportion of the grant will become repayable. Forest YMCA has signed a twenty year lease for the property.

**12. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016**

	Unrestricted Funds	Non-Housing	Restricted Funds	2,016
	Housing	Activities	Charitable	Total funds
	Activities	Activities	Activities	Total funds
	£	£	£	£
Income from:				
Donations and gifts	-	26,764	31,105	57,869
Charitable activities:				
Lettings	4,460,436	-	-	4,460,436
Supporting People	-	-	447,768	447,768
Youth Projects	-	-	143,567	143,567
Family & Childcare	-	512,685	-	512,685
Catering	-	20,241	-	20,241
Brooksfarm	-	67,222	-	67,222
Social Housing Grant	172,343	-	-	172,343
Investments	-	366	-	366
Other Trading				
Phone Mast Income	-	58,837	-	58,837
Trading subsidiary	-	112,569	-	112,569
Total	4,632,779	798,684	622,440	6,053,903
Expenditure on:				
Raising funds	-	-	80,090	80,090
Charitable activities:				
Lettings	3,362,154	-	-	3,362,154
Supporting People	-	-	563,824	563,824
Youth Projects	-	-	137,133	137,133
Family & Childcare	-	620,975	-	620,975
Catering	-	228,896	-	228,896
Brooksfarm	-	198,653	-	198,653
Total	3,362,154	1,048,524	781,047	5,191,725
Net income/ (expenditure)	1,270,625	(249,840)	(158,607)	862,178
Net movement in funds	1,270,625	(249,840)	(158,607)	862,178
Reconciliation of funds:				
Total funds brought forward	291,825	-	1,959,282	2,251,107
Total funds carried forward	1,562,450	(249,840)	1,800,675	3,113,285