

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

YMCA THAMES GATEWAY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

YMCA THAMES GATEWAY

COMPANY INFORMATION

Trustees	A Dyckhoff E Galgano Father M D Howse D L Potter G Sandhu-Nelson D Scott-Malden D J Thomas S Unsworth-Tomlinson C Burden
Secretary	K Knapp
Company number	06102037
Charity number	1133269
HCA registration number	L4547
Registered office	YMCA Thames Gateway Rush Green Road Romford Essex RM7 0PH
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Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	National Westminster Bank PLC 10 South Street Romford Essex RM1 1RD
Solicitors	Bates Wells Braithwaite 2-6 Cannon Street London EC4M 6YH
Investment managers	Barclays Bank Plc 1 Churchill Place London E14 5HP

YMCA THAMES GATEWAY

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YMCA THAMES GATEWAY

CEO AND CHAIRMAN'S STATEMENT FOR THE YEAR ENDING 31 MARCH 2018

2017-2018 was a good and productive year for YMCA Thames Gateway. The Board thanked Kai Boschmann for her service as Chair as she had to stand down for personal reasons. The Board and the Executive wish to put on record their thanks for the service of Andrew Dyckhoff our Chair who served faithfully for the period of his term and for an additional year while the search for a new Chair took place, most notable for all the work and leadership during this period. During this year the Board also said goodbye to Ayub Khan who had served his full term of 9 years and thanked him for all of the work that he had undertaken.

The focus for much of the year was on how we could increase our impact as per our strategy. We were pleased to have the full first year of our new flats in Greenwich, working for the first time with the Royal Borough of Greenwich related to housing, and we were really excited to have young families moving in to the properties and finding a home and a place to lead their independent lives.

YMCATG touched the lives of over 10,000 people in the last year. This includes hundreds of young people who we were able to house during the crisis moments of their lives and also to help progress to independent living and into training or work. We were really pleased that we were able to get a high level of successful move-ons during this period. Our Health and Wellbeing work touched the lives of many thousands of people. We know physical activity has such a positive effect on the lives of our members but it is particularly gratifying to see this in those who are recovering from cancer or stroke or for those who are lonely and isolated for whom support and activity becomes a way of meeting new people. We were really pleased during this year to have a series of OFSTED reviews at good level which meant that we were showing continued improvement in the work with children and families. We know how important it is for children and families to get a great start in life and so the commitment of our staff to do the best for the children in our geography is really critical. We were also really excited to be able to, for the first time in two years, develop new youth work streams of work. We are really grateful for all of the staff and volunteers who enabled this to happen particularly south of the river in Woolwich.

We were able to secure £6 million from the GLA to develop 3 new housing schemes. This is a great opportunity for us to further help young people, and during the last year we have been planning for this by finding both land in Rush Green and in Thamesmead to develop the new work. Our first scheme will open in late summer 2019. We have also developed strong links with the Peabody Trust in South East London and during this period the Board approved the opening of a new 60 place nursery in Thamesmead which is due to open in September 2018 and also gave serious consideration to other work including the new housing scheme in Thamesmead and considering youth work and sports work in the Borough.

The strategic aim of the organisation has been to increase our impact and the last year had enabled us to do this with good progress. We were able to have a good year financially thus protecting the important resources of the YMCA. Undergirding all of our work is the idea that, as the YMCA moves towards its 175th year, people do best when they can develop in body, mind and spirit. Through the work of our Chaplaincy department we have offered pastoral care to hundreds of people throughout our YMCA. It's been a good year and we are grateful for everyone who has helped make it a success and we look forward to meeting the challenges of the next year with courage and energy.

Martin Howse
Chair

Dave Ball
CEO

YMCA THAMES GATEWAY

TRUSTEE'S REPORT

FOR THE YEAR ENDING 31 MARCH 2018

The trustees present their report along with the accounts of the charitable company for the year ending 31 March 2018. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with applicable law and the requirements of the Financial Reporting Standard 102.

Details of personnel are given below:

Honorary Officers:

Patron:

Rt Rev Roger Sainsbury

Vice Presidents:

Peter Clarke, OBE

Sandra Cox

Ron Gale

Val Goodwin

Dave Harris

Leslie Newey

Board of Management:

Trustees:

Kai Boschmann (Resigned 11th May 2017) (Resigned as Chair 11th May 2017)

Victoria Clark (Resigned 28th April 2017)

Andrew Dyckhoff (Appointed as Chair 11 May 2017) (Resigned as Chair 5th February 2018)

Edward Galgano (Appointed as Treasurer 5th February 2018)

Father Martin Howse (Treasurer to 5th February 2018) (Appointed as Chair 5th February 2018)

Peter Johnson (Resigned 19th May 2017)

Ayub Khan (Resigned 27th November 2017)

Desmond Potter

Skye Sandhu-Nelson

Damon Thomas

Sue Unsworth-Tomlinson

Dominic Scott-Malden

Cheryl Burden (Appointed 27th November 2017)

Company Secretary:

Karen Knapp

The Executive Staff Team:

Chief Executive	-	Dave Ball
Director of Corporate Services	-	Paul Setterfield, ACMA, CGMA
Director of Housing & Property	-	Tracy White
Director of Children, Families and Youth	-	Joanna Read
Director of Quality & Compliance	-	Karen Knapp
Director of Human Resources	-	Remi Tondou
Exec PA	-	Heather Stevenson

Structure, governance and management

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

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

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

The Association is open to all regardless of age, gender, faith or disability; it seeks and works for the 'whole person' development of all, in body, mind and spirit. We touch the lives of approximately 10,000 people each year, including over 3,200 people in our fitness programmes, 5,000 young children in our childcare services, and every year we provide a home for around 500 young people at risk of homelessness.

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

YMCA Thames Gateway uses the most appropriate media for the recruitment of board members at any given time. This may include informal soundings within partner communities, e.g. local government, church groups, and organisations specialising in the provision of volunteers and trustees. We advertise internally within our current membership to recruit board members and use external advertising where appropriate. Suitable candidates who have expressed interest submit an application which is vetted for suitability by our board Nominations Working Group, taking into consideration what specialism they would bring to the Board. Following this, suitable potential candidates are invited to an interview. The interview panel is empowered to recommend to the board the appointment of the new board member. An induction plan is in place for new board members.

The Trustees confirm that the charity fully complies with the Homes and Communities Agency (HCA) Governance and Financial Viability Standard. During the year HCA reporting and regulatory requirements were reviewed and discussed to ensure compliance.

Risk management

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

- Changes in Government policy in relation to social housing rents and benefit caps for young people
- Pension Scheme liabilities
- Major capital work requirements on our buildings

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

Grenfell Tower Fire Disaster:

All YMCA Thames Gateway buildings have been designed and constructed with build-materials in accordance with the Building Regulations at the time of their construction. Any extensions, improvements or modifications undertaken to these buildings by YMCA Thames Gateway have also been completed to the appropriate building regulations at the time and have been sensitive to match the design and materials to the original build.

We have not undertaken any retro-fit works or external insulated ACM cladding to any of our buildings. During the year we have commissioned a stock condition survey of all of our properties, and have undertaken reviews and taken samples of our cladding on our Romford hostel to assure ourselves that the cladding is fire safe. All of our buildings have maintained integrated fire alarm systems, emergency lighting, 30 minute fire rated doors, fire protected escape routes and up to date fire risk assessments. These fire protection measures are subject to regular internal review and external review by the fire service.

Origins and mission

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

YMCA Thames Gateway aims to help people to develop their full potential in mind, body and spirit. We create supportive and inclusive communities, where young people can belong, contribute and thrive. Spanning five boroughs, three of which are the country's most deprived; we work across five core areas:

Accommodation – We believe that every young person should have a safe place to stay. We provide accommodation for 319 young people from our local communities every night, who would otherwise be at risk of homelessness. In the past year we have provided in the region of 48,000 meals to our residents.

Children's, Youth and Family Work – We believe that every family should have the support they need to develop and lead more fulfilling lives. We run pre-schools, nurseries, out-of-school clubs, holiday programme, parties and youth services. We are a registered provider of childcare services, offering Nursery and After School care to approximately 750 children a year and reaching 5,000 children through our other services including school holiday clubs and birthday parties. Our youth services engage over 200 young people per year in meaningful activities.

Health & Wellbeing – We believe that everyone should be able to enjoy the benefits of physical health. We have 2,000 members who use our fitness facilities and we deliver health programmes to the local community and in schools and colleges. In the past year over 3,400 adults and children engaged in our fitness services.

Training & Education – We work with residents to provide them with education and skills programmes. This includes basic skills training such as cooking and budgeting as well as offering support for seeking work and employment.

Support & Advice – We work with residents and members to provide advice and support on benefits, education and employment, housing and health and wellbeing. Our Support Workers work with nearly 300 often vulnerable young people each year, providing tailored one to one support plans and helping to ensure that they leave our care in a more positive place than they did when they came to us. We have a full time Chaplain who provides pastoral support to our staff and customers alike.

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

We are fortunate to benefit from the work of over 80 volunteers each year who collectively donate over 10,000 hours of time to our work. They make a valuable and worthwhile contribution and are appreciated for their efforts. They play many vital roles including board and committee membership, activity leaders in clubs such as the YMCA Orchestra, Widows & Widowers and Women Together, our senior citizens' programme, health and wellbeing, youth work and youth football. They also support key departments such as Catering, Chaplaincy and Site Operations.

Objectives and activities

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

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

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

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

Our concern for the welfare of young people and their communities is motivated by our Christian faith, which drives us to place equal value on every individual, welcoming people of all faiths and none, to serve those who face disadvantage or exclusion, and to challenge discrimination and social justice.

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

Achievements and performance

Our performance against our strategic objectives are as follows:

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

- We managed to get our 2 new housing schemes in Woolwich to full occupancy during the year and now house 318 young people per night across our sites in Romford, Barking, Dartford, Woolwich and Ashford. Last year we housed over 500 young people in total. We delivered over £2.5 million worth of social impact from our housing services in the year. The table below shows the housing department's performance against key targets during the year.

Target	Target 2017-18	Actual
Percentage positive planned move on	55%	68%
Percentage of people accessing life-skill programmes	40%	59%
Percentage of people in work, training or education	30%	42%
Residents who have support plan in place within 4 weeks of residence.	80%	100%
Greenwich Occupancy targets at year end met (new project)	97%	98%
Overall occupancy levels across all sites	97%	97%

- We have increased the number of members accessing our concession memberships by 43 during the year and we now have well over 400 people accessing affordable fitness programmes in our Romford Centre. At the end of March 18 our total association membership stood at 3,433 members
- We expanded our Afterschool club services in the Romford area, opening 2 new off-site settings in the year increasing the number of children attending our clubs by 46% compared to last year. We also outperformed occupancy expectations across all childcare settings by 9% overall, meaning that we looked after more children than ever before, overall we delivered around 6,300 individual childcare session in the year. We have been moving forward with the development of a new nursery in Thamesmead and expect that to open in 2019.
- We had 305 unique young people attend our youth programmes during the year, a 50% increase on expected levels.

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

- We have run a number of community fundraising events in the year, including Sleep Easy, at which the Mayor and leader of Dartford Council attended.
- We have worked with YMCA England and developed our charity shop partnership with them. We are currently partnering on four local charity shops and during the year supported a rebrand and refit at our Swanly store.
- We produced a number of promotional films in the year which were distributed via social media and received over 20,000 views. We also distributed promotional leaflets to over 35,000 households during the year, promoting our charitable services.

- The new YMCA brand is being rolled out across our sites. This is having a positive impact on our brand awareness.
- One of our young staff members was a finalist at the YMCA Youth Matters awards which recognise outstanding individual or team work within YMCAs across the country.

3. Prioritise the development and health of young people

- We have continued to improve upon development programmes offered to our residents. This has included skills and opportunities to find sustainable work opportunities, cooking and budgeting. For residents already in work we have continued to develop our Accelerated Move on Scheme which allows them to move into private accommodation quicker than they would otherwise be able to do. 59% of residents attended life skills programmes in the year, which was much higher than our 40% target.
- A quote from a resident *"Before I moved in YMCA I was lost and felt I was not worth living then I moved in YMCA Romford and I gained all my confidence back thanks to the Housing Team. I now know I am not alone and it is ok to be who you want to be. I will be sad to leave here but it is now the time to spread my wings and bloom into a converted man. I am so humbled to have lived in the Romford YMCA."*
- We have remodelled our junior sports programmes and price structure, removing joining fees for under 16s, this has led to a 40% increase in usage of our gym facilities by junior members
- We piloted a kitchen social project designed to provide free food for local families during school holiday periods, this proved to be very successful and we are rolling out a programme in 2018

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

- We have developed our plans to open a nursery in Thamesmead, and have also business planned an opportunity for us to run community and sporting facilities in the area. We give our thanks to the Big Lottery Fund for the grant with which we were able to do this work.
- We secured £6m of social Housing Grant from the GLA to deliver 100 units of affordable accommodation for young people. We are planning to develop these units over the next 4 years on 3 separate sites.
- Our Fundraising team helped us to secure £78k of additional funds to support our charitable activities during the year.

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

- We have adopted the national brand and are working with YMCA England in the development of signature programmes
- Internationally we are continuing to support the Belarus movement via participation in the YMCA Europe Field Group.
- We had staff attend a World Urban Network event in Canada and the USA
- We are sending a delegation to the World Council in 2018
- We have had 3 international volunteers from YMCA France working for us on long term placements.

Financial Review

YMCA Thames Gateway's main sources of income arise from our charitable activities in three main business areas; Housing, Community Health and Wellbeing and Children's Services. Our Housing income is made up from a mixture of personal rental payments and housing benefit payments for residents living in our hostel or move-on accommodation. Community Health income is made up from member subscriptions, income from members using our fitness facilities, and income from external bodies in payment for fitness services. Children's Services income is predominantly from payments for the use of our childcare facilities, including our nurseries and pre-schools. We also receive income from other sources including our catering services, as well as from rental and investment income. Turnover for the twelve months ending 31 March 2018 was £5,513,775 (£4,767,917 in 2017). 2017/2018 resulted in a surplus on operating activities of £28,232.

Turnover for the year was up by £746k on 2016-17, mainly due to growth in our housing services as a result of our new units in Woolwich, as well as growth in our nursery and afterschool club provisions. We also secured grant income from the Big Lottery Fund during the year for support with business planning which was gratefully received and has allowed us to better plan for future growth. We had increased expenditure of £629k compared to 2016/17 primarily as a result of increased staffing costs associated with our service growth in Housing and Children's Services, as well as associated premises costs and overheads.

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

The key funding sources have been mainly from public sector organisations such as the London Borough of Barking & Dagenham and Dartford Council (via housing benefit payments), as well as income received direct from members for use of our facilities and from families for use of our Childcare services. We also receive government grants for our Dartford based housing services, and for the provision of free places at our nurseries. In view of the scale of public sector spending reductions, the Association aims to continue to diversify revenue streams. Where funding is available, it is often on the condition that we evidence effective delivery of specific key performance indicators, and therefore, YMCA Thames Gateway must ensure that all projects are delivered efficiently and meet the targets set.

We would like to say a big thank you to all of our supporters and donors who gave so generously to us in the year.

We particularly note the support given to us by the following funders

Kent County Council
Big Lottery Fund
LandAid
Ford Britain Trust London Marathon Charitable Trust
Charlton Athletic Charitable Trust
Bluewater Community Forum
7stars Foundation
Lloyd's Market Charity Award
Guy Carpenter Securities

Investment policy and performance

The Board has instructed the investment managers Barclays Wealth to maintain a balanced portfolio with a medium level of risk. During the year the trustees made the decision to move our investment assets out of a managed portfolio and to invest the proceeds in the Barclays Charity Fund, which is a unit based fund that meets our ethical investment requirements.

Income from investments was £75,055 compared to £59,178 in 2016/17. This included realised gains on investment disposals. Due to fluctuations in the stock market over the financial year the fair value of losses on our portfolio amounted to £10,122. At 31 March 2018 our portfolio value totalled £2,123,520.

Reserves Policy

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

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

The Income and Expenditure Account totals £1,709,471. However, the balance of this account is deflated by the provision for long term liabilities, notably the provision put aside for the pension deficit. The Trustees therefore consider free reserves to be the liquid assets (current assets plus investments less current liabilities) available to the Association and available for the running of our charitable services. These free reserves do not preclude the continuing need for fundraising to fulfil the objects of the association.

The Board consider that the free reserves should cover a minimum of four months operating expenditure. At the end of the financial year free reserves totalled £2,408,947 which covers approximately 23 weeks of operating expenditure at current expenditure levels. This is slightly higher than our target, but we are expecting to invest money in our services and buildings over the next few years and so the reserves are required.

The Reserves Policy is reviewed annually by the Finance Committee

Value for Money

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

It means spending less, spending well and spending wisely.

Value for money is now a collective objective for all employees, employees understand the concept that VFM is as much about quality as it is about cost and continuously apply this to their day to day decision making. Each team has an allocated VFM champion to keep the concept alive and active, this has proved effective in ensuring quality is high and savings are identified.

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

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

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

- Hostel occupancy levels were maintained at a high level (97%) minimising voids and ensuring maximum use of our accommodation
- Bad debt write offs on our housing provisions were reduced as a result of additional focus being given to debt recovery across all service areas
- In-house refurbishment of hostel rooms and communal areas, improving the quality of our housing stock at minimal cost
- As a result of our improved relationships with local authorities we managed to save over £14k from our incentive budget by securing deposits for move-on accommodation through local authority funding.

- In addition we made savings of around £7k on our programmes budget by use of crowd funding services to support residents into specialised training, this has also been complimented by a further estimated saving of around £4k from our approach of seeking out those organisations who have received funding to deliver specific skills training that we were originally funding.
- We secured a significant amount of good quality used furniture from HMRC as a result of an office move, this saved us at least £3k that we would have otherwise had to spend on new furniture
- Children's Services identified the learning needs of children in the department's quality improvement plan and prioritised the allocating of our resources to meet those needs which included maths curriculum and emotional language for boys
- Health & Wellbeing services tracked occupancy at classes and closed those that were not sustainable
- We have worked with the National Citizen Service (NCS), and have had groups of young volunteers from them undertaking a range of jobs, including painting and decorating, gardening and creating gift boxes for residents. This has both added to the quality of our services and helped reduce costs.
- We have developed corporate partnerships with organisations such as Tesco, M&S and B&Q who have provided both funding, food and material to support our operations, which has enabled us to provide more cost effective services.
- We took part in CFG's Finance Count to benchmark our charity against other charities on a range of financial and operational metrics, this has allowed us to identify areas where we can improve our efficiencies.

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

Plans for future periods

The Board of Trustees have approved a five year business plan covering the period 2017-2022. There are five key strategic aims to this plan as detailed below.

Our Finances – In order to support our developments and growth we need a robust financial plan that ensures that we are generating surpluses sufficing to effectively resource our work and finance our capital developments.

1. At the end of March 2020 we will have fundraised £1m of capital funding and £250k of revenue funding to support our housing development work, and to expend our service provision.
2. At the end of 2020 we will have a budget surplus of 3% of turnover.
3. At the end of March 2020 we will have seen a net growth of direct debits in our health & wellbeing club of 400.

4. At the end of 2020 we will see percentage departmental contributions, before overhead allocation (as a percentage of turnover) of the following:
 - Housing 45% of turnover
 - Children's and Families work 21% of turnover
 - Health & Wellbeing 50% of turnover
 - Central Support costs to reduce to 32% of organisational spend

Our People – Our people are our most important asset, our aspiration and intention is to have a highly skilled and motivated workforce, with this in mind we set the following objectives.

1. A new staff development programme in place by 2019-20
2. 2% of organisational spend to be spent on staff training and development by 2019-20 in order to achieve and maintain a highly skilled workforce
3. Review and improvement of employee benefits, including pension provisions, to aid employee retention and motivation. 50% increase in expenditure on employee benefits by 2019-20
4. Increase in volunteering hours by 20% per annum between 2017 and 2020
5. Increase in number of apprentices working for us so that we have at least 6 apprentices working for us by 2020

Our Opportunities – Although recent years have offered significant challenges, there is no doubt the immediate landscape offers significant opportunities to grow impact and to secure our future. Our approach will enable us to assess all opportunities against our key strategic objectives to both prioritise and plan delivery

1. With the support of the GLA grant we will deliver 100 units of new accommodation over 3 sites by 2022.
2. We will complete business planning (funded by the Big Lottery Fund) to open a new YMCA branch in Thamesmead, including a nursery, sports and community facilities, and a Y Aspire Housing Scheme by 2022
3. We will appraise options for collaborations with other local YMCAs to grow and support our services

Our Quality - By 2020 all services offered by YMCA Thames Gateway will be able to identify the impact they have on members. Using a clear framework of what 'good' looks like, enabling statistic development to inform continuous improvements.

1. By the end of 2019 all service delivery areas will have an impact measurement framework in place
2. By the end of 2019 all services will have defined their quality standards of what 'good' looks like
3. By the end of 2019 customer care standards will be embedded across all services and we will have a framework in place to obtain customer feedback and improve customer experience scores year on year
4. By the end 2020 the "Journey to Excellence" Housing Framework will be fully implemented.
5. We will ensure that we are putting young people's voice at the heart of service delivery by adopting the 'Hear by Right' development tool. This participation strategy will enable best practice on the safe, sound and sustainable participation of children and young people in the services and activities they take part in.

Our Risks - We aim to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, and are evaluated and proactively controlled rather than avoided.

1. We will have effective structures and processes in place to ensure the risks and opportunities of daily activities are identified, evaluated and controlled in a standard way.
2. Risk management is incorporated into business planning of new opportunities and developments.
3. There is a risk that we could lose up to a maximum of £700k of housing revenues due to government rent changes. We will ensure we have a robust and thorough plan to ensure this risk is not realised.

By order of the Board



Dave Ball
Chief Executive

YMCA THAMES GATEWAY

TRUSTEES' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

YMCA THAMES GATEWAY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YMCA THAMES GATEWAY

Opinion

We have audited the financial statements of YMCA Thames Gateway (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

YMCA THAMES GATEWAY

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

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YMCA THAMES GATEWAY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Income	3	5,513,775	4,767,917
Cost of sales		(3,687,831)	(3,393,108)
Gross surplus		1,825,944	1,374,809
Administrative expenses		(1,797,712)	(1,463,658)
Operating surplus/(deficit)	4	28,232	(88,849)
Interest receivable and similar income	8	75,055	59,178
Interest payable and similar expenses	7	(63,077)	(65,248)
Fair value gains and (losses) on fixed asset investments	9	(10,122)	268,726
Surplus before taxation		30,088	173,807
Taxation	11	-	-
Surplus for the financial year	27	30,088	173,807
Other comprehensive income		-	-
Total comprehensive income for the year		30,088	173,807

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

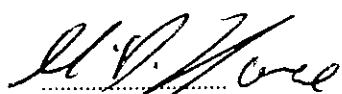
YMCA THAMES GATEWAY

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12	12,986,231		13,049,301	
Investment properties	13	450,000		450,000	
Investments	14	2,123,520		2,065,795	
		<u>15,559,751</u>		<u>15,565,096</u>	
Current assets					
Stocks	16	10,621		8,215	
Debtors	17	270,064		220,024	
Cash at bank and in hand		420,991		476,816	
		<u>701,676</u>		<u>705,055</u>	
Creditors: amounts falling due within one year	18	(416,249)		(395,551)	
Net current assets		<u>285,427</u>		<u>309,504</u>	
Total assets less current liabilities		<u>15,845,178</u>		<u>15,874,600</u>	
Creditors: amounts falling due after more than one year	19	(2,246,126)		(2,305,636)	
Net assets		<u><u>13,599,052</u></u>		<u><u>13,568,964</u></u>	
Reserves					
Restricted reserve	26	45,360		7,692	
Property revaluation reserve	23	4,738,545		4,841,557	
Other reserves	24	7,105,676		7,580,579	
General reserves	27	1,709,471		1,139,136	
		<u>13,553,692</u>		<u>13,561,272</u>	
Members' funds		<u><u>13,599,052</u></u>		<u><u>13,568,964</u></u>	

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:



Father M D Howse
Trustee

Company Registration No. 06102037

YMCA THAMES GATEWAY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Revaluation reserve £	Other reserves £	General reserves £	Total £
Balance at 1 April 2016		4,944,569	7,430,621	934,546	13,395,157
Year ended 31 March 2017:					
Profit and total comprehensive income for the year		-	-	173,807	173,807
Other		(103,012)	72,229	30,783	-
Balance at 31 March 2017		4,841,557	7,588,271	1,139,136	13,568,964
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	30,088	30,088
Transfers		(103,012)	(437,235)	540,247	-
Balance at 31 March 2018		4,738,545	7,151,036	1,709,471	13,599,052

YMCA THAMES GATEWAY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	31		332,050		174,173
Investing activities					
Purchase of tangible fixed assets		(267,641)		(156,669)	
Net cash used in investing activities			(267,641)		(156,669)
Financing activities					
Payment of pension obligations		(120,234)		(118,140)	
Net cash used in financing activities			(120,234)		(118,140)
Net decrease in cash and cash equivalents			(55,825)		(100,636)
Cash and cash equivalents at beginning of year			476,816		577,452
Cash and cash equivalents at end of year			420,991		476,816

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

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

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

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include investment properties and listed investments at fair value. The principal accounting policies adopted are set out below.

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and expenditure

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

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

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

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

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

The cost of properties is their purchase price together with incidental costs of acquisitions and improvements, including related management charges. In 2015/16 the transitional FRS 102 rules were adopted. The housing properties were revalued and have been included in the accounts at deemed cost. For further details, see note 23 of the accounts.

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

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Leasehold land and buildings	2% straight line
Fixtures and fittings	20% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

No depreciation is provided in respect of freehold land.

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

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

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

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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

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

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

1.7 Stocks

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

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.10 Taxation

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

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

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

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

1.13 Government grants

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

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

1.14 Fund accounting

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

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

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

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no material changes to the judgements and key estimates used in the preparation of these accounts.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Income/Service charges

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

For the year ended 31 March 2018

	Turnover	Operating costs	Operating surplus
<i>Social housing lettings</i>			
Rent	1,660,082	(1,632,788)	27,294
Service charges	1,595,332	(1,608,395)	(13,063)
Social housing grant	303,526	(271,327)	32,199
	<u>3,558,940</u>	<u>(3,512,510)</u>	<u>46,430</u>
<i>Other income</i>			
Health and Wellbeing	498,001	(487,053)	10,948
Child and family services	1,051,076	(1,073,640)	(22,564)
Youth services	17,332	(43,182)	(25,850)
Catering services	148,827	(142,821)	6,006
Other activities	239,598	(226,337)	13,261
	<u>1,954,834</u>	<u>(1,973,033)</u>	<u>(18,199)</u>
	<u>5,513,774</u>	<u>(5,485,543)</u>	<u>28,232</u>

For the year ended 31 March 2017

	Turnover	Operating costs	Operating surplus
<i>Social housing lettings</i>			
Rent	1,336,378	(1,373,720)	(37,342)
Service charges	1,430,245	(1,463,889)	(33,644)
Social housing grant	158,708	(160,209)	(1,501)
	<u>2,925,331</u>	<u>(2,997,818)</u>	<u>(72,487)</u>
<i>Other income</i>			
Health and Wellbeing	513,027	(524,006)	(10,979)
Child and family services	874,438	(866,581)	7,857
Youth services	59,093	(61,327)	(2,234)
Catering services	156,333	(166,800)	(10,467)
Other activities	239,695	(240,234)	(539)
	<u>1,842,586</u>	<u>(1,858,948)</u>	<u>(16,362)</u>
	<u>4,767,917</u>	<u>(4,856,766)</u>	<u>(88,849)</u>

Rent and services void losses total £53,239 (2017: £156,614) and are netted off in the above figures for 2017 and 2018

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Operating surplus/(deficit)

	2018	2017
	£	£
Operating surplus/(deficit) for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	17,375	16,370
Depreciation of owned tangible fixed assets	330,711	308,037
Operating lease charges	9,996	3,600

5 Employees

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

	2018 Number	2017 Number
Housing	33	27
Community health	19	17
Children's services	76	68
Youth services	2	2
Catering services	19	20
Executive team	6	6
Corporate services and administration	18	17
Site operations and cleaning	20	19
Membership and reception	16	18
	209	194

The average monthly number of full time equivalent employees of the association was 114 (2017: 116).

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,084,722	2,837,343
Social security costs	197,983	180,988
Pension costs	56,878	65,576
	3,339,583	3,083,907
Redundancy payments made or committed	17,800	26,037

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Employees

(Continued)

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

	2018 Number	2017 Number
£60,000 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
	<u>3</u>	<u>2</u>

6 Executive staff emoluments

	2018 £	2017 £
Emoluments	318,782	350,424
Pension contributions	14,742	16,231
Total emoluments	<u>333,524</u>	<u>366,655</u>

The salary received by the highest paid executive staff member (the Chief Executive) was:

	2018 £	2017 £
Emoluments	<u>81,616</u>	<u>80,808</u>

There is no longer a defined benefit scheme in operation for the Chief Executive and therefore no contributions were made in the year. Contributions to the stakeholder pension on behalf of the Chief Executive were £5,305 (2017: £5,283).

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	30,906	30,143
Other finance costs:		
Unwinding of discount on pension obligation	32,171	35,105
	<u>63,077</u>	<u>65,248</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Interest receivable and similar income

	2018	2017
	£	£
Income from fixed asset investments		
Income from other fixed asset investments	75,055	59,178
	<u>75,055</u>	<u>59,178</u>

9 Fair value gains and (losses) on fixed asset investments

	2018	2017
	£	£
Net movement in market value	(10,122)	268,726
	<u>(10,122)</u>	<u>268,726</u>

10 Trustees

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

11 Taxation

As a registered charity, YMCA Thames Gateway is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the charity during the year (2017: £nil).

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

12 Tangible fixed assets		Freehold buildings	Leasehold land and buildings	Fixtures and fittings	Office equipment	Motor vehicles	Total
Cost		£	£	£	£	£	£
At 1 April 2017		12,041,687	1,883,975	1,426,957	86,930	83,772	15,523,321
Additions		171,121	-	95,539	981	-	267,641
At 31 March 2018		12,212,808	1,883,975	1,522,496	87,911	83,772	15,790,962
Depreciation and impairment							
At 1 April 2017		668,693	361,494	1,287,361	72,700	83,772	2,474,020
Depreciation charged in the year		208,730	37,680	79,362	4,939	-	330,711
At 31 March 2018		877,423	399,174	1,366,723	77,639	83,772	2,804,731
Carrying amount							
At 31 March 2018		11,335,385	1,484,801	155,773	10,272	-	12,986,231
At 31 March 2017		11,372,994	1,522,481	139,596	14,230	-	13,049,301

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

13 Investment property

	2018 £
Fair value	
At 1 April 2017 and 31 March 2018	450,000

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

14 Fixed asset investments

	2018 £	2017 £
Listed investments	2,106,434	2,024,333
Cash	17,086	41,462
	<u>2,123,520</u>	<u>2,065,795</u>
Listed investments included above:		
Listed investments carrying amount	<u>2,106,434</u>	<u>2,024,333</u>

Movements in fixed asset investments

	Listed investments £	Cash £	Total £
Cost or valuation			
At 1 April 2017	2,024,333	41,462	2,065,795
Additions	2,182,038	(2,182,038)	-
Valuation changes	(10,122)	-	(10,122)
Investment income	-	75,055	75,055
Investment management fees	-	(7,208)	(7,208)
Disposals	(2,089,815)	2,089,815	-
	<u>2,106,434</u>	<u>17,086</u>	<u>2,123,520</u>
Carrying amount			
At 31 March 2018	<u>2,106,434</u>	<u>17,086</u>	<u>2,123,520</u>
At 31 March 2017	<u>2,024,333</u>	<u>41,462</u>	<u>2,065,795</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

15 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	239,860	190,442
Equity instruments measured at fair value	2,123,520	2,065,795
	<u>2,363,380</u>	<u>2,256,237</u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,606,400	2,652,540
	<u>2,606,400</u>	<u>2,652,540</u>

16 Stocks

	2018 £	2017 £
Catering stock	10,621	8,215
	<u>10,621</u>	<u>8,215</u>

17 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Rent arrears	103,767	142,255
Provision for doubtful debts	(39,451)	(71,619)
	<u>64,316</u>	<u>70,636</u>
Other trade debtors	169,380	111,364
Other debtors	6,164	8,442
Prepayments and accrued income	30,204	29,582
	<u>270,064</u>	<u>220,024</u>

18 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	128,379	80,454
Other taxation and social security	55,975	48,647
Other creditors	13,138	17,118
Accruals and deferred income	218,757	249,332
	<u>416,249</u>	<u>395,551</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

19 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Other borrowings	20	1,251,799	1,220,893
Accrued pension deficit contributions	21	994,327	1,084,743
		<u>2,246,126</u>	<u>2,305,636</u>

20 Loans and overdrafts

	2018 £	2017 £
Other loans	<u>1,251,799</u>	<u>1,220,893</u>
Payable after one year	<u>1,251,799</u>	<u>1,220,893</u>

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

The loan is repayable over 15 years from March 2020, with the first instalment due in 2 years time. Interest is accrued at 2.5% from the inception of the loan.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

21 Retirement benefit schemes

Defined contribution schemes

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

The charge to expenditure in respect of defined contribution schemes was £56,878 (2017 - £65,576).

Defined benefit schemes

YMCA Thames Gateway participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA Thames Gateway and at the year end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2017. 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 3.75% and 2.25% respectively, the increase in pensions in payments of 3.35%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.2 years, female 24.1 years, and 24.0 years for a male pensioner, female 26.0 years, retiring in 20 years time.

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

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

The valuation as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. YMCA Thames Gateway will be making monthly contributions of £10,345 from 1 May 2018 subject to 3% increases per annum. 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 9 years from 1st May 2018. See note 19 for the long term element of the liability.

In addition to the deficit contributions YMCA Thames Gateway has been making monthly contributions of £1,824 from 1 May 2018 contribution to the pension plan's expenses.

The next full actuarial valuation is due as at 1 May 2020.

In addition, YMCA Thames Gateway may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that YMCA Thames Gateway may be called upon to pay in the future.

22 Members' liability

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

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

23 Property revaluation reserve

	2018	2017
	£	£
At beginning of year	4,841,557	4,944,569
Depreciation transfer	(103,012)	(103,012)
	<hr/>	<hr/>
At end of year	<u>4,738,545</u>	<u>4,841,557</u>

The revaluation reserve arose on the adoption of FRS 102 in 2015/16. The operating properties were revalued and under the FRS 102 transitional rules were carried forward at deemed cost. Each year a transfer is to be made in respect of the additional annual depreciation charge resulting from the revaluation.

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

24 Other designated reserves

	Pension reserve	Designated reserves	Total
	£	£	£
At 1 April 2016	(1,170,164)	8,670,217	7,500,053
Net movement in reserves for the year	85,421	(4,895)	80,526
At 31 March 2017	(1,084,743)	8,665,322	7,580,579
Net movement in reserves for the year	90,416	(565,319)	(474,903)
At 31 March 2018	(994,327)	8,100,003	7,105,676

25 Designated funds

	Brought forward	Transfers	Carried forward
	£	£	£
Pension fund	25,436	(25,436)	-
Investment revaluation reserve	585,968	(567,605)	18,363
Property asset fund	8,053,918	27,722	8,081,640
	8,665,322	(565,319)	8,100,003

Pension fund - this reserve was originally set up to provide an annual income to an ex-employee of the YMCA. On the retirement of the gentleman in the year, the reserve has been released back into general unrestricted reserves and the individuals' pension is being paid from revenue reserves.

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

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

26 Restricted funds

	Brought forward	Incoming resources	Resources expended	Carried forward
	£	£	£	£
Miscellaneous special funds	7,692	157,254	(119,586)	45,360
	7,692	157,254	(119,586)	45,360

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

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

27 Income and expenditure account

	2018	2017
	£	£
At the beginning of the year	1,139,136	934,546
Surplus for the year	30,088	173,807
Transfer to reserves	540,247	30,783
At the end of the year	<u>1,709,471</u>	<u>1,139,136</u>

28 Financial commitments, guarantees and contingent liabilities

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

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

A number of grants have been received towards the building and maintenance of the Romford hostel, which have previously sat as a liability against the Freehold land and buildings of the entity. Under the terms of the grants, the funds are repayable if the relevant properties are subsequently sold. The contingent liability in respect of the hostel at 31 March 2018 is £2,301,801 (2017: £2,301,801).

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

29 Operating lease commitments

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

	2018 £	2017 £
Within one year	9,996	3,600
Between two and five years	34,287	17,100
	<u>44,283</u>	<u>20,700</u>

30 Related party transactions

£500 (2017: £13,125) of consultancy fees were paid in the year to Victoria Clark, who was a Trustee, for consultancy services relating to restructuring the financial reporting of the charity. Victoria resigned as a trustee on 24 April 2017.

31 Cash generated from operations

	2018 £	2017 £
Surplus for the year after tax	30,088	173,807
Adjustments for:		
Finance costs	30,906	27,757
Investment income	(75,055)	(59,178)
Investment management fees	7,208	13,712
Depreciation and impairment of tangible fixed assets	330,711	308,037
Unrealised loss/(gain) on fixed asset investments	10,122	(280,733)
Unwinding of pension discount	32,171	35,105
Movements in working capital:		
(Increase)/decrease in stocks	(2,406)	207
(Increase)/decrease in debtors	(50,040)	16,690
Increase/(decrease) in creditors	18,345	(61,231)
Cash generated from operations	<u>332,050</u>	<u>174,173</u>

YMCA THAMES GATEWAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

32 Residential units under management

	2018 Number	2017 Number
The number of hostel accommodation bed spaces in management	194	194
The number of units of housing accommodation in management:		
George Williams House	10	10
Red Triangle House	4	4
Hedley House	8	8
Church View	10	10
Brookfield Court	3	3
Defiance Walk	40	40
Sarah Turnbull House	43	43
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