

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

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

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

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2018

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BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2018

Other Trading Names	Bridgwater YMCA YMCA Somerset Coast	
Trustees and Directors		
Chairman	John Ennals	
President	Arthur Leigh	
Vice Chairman	Alastair Matthews	
	Jon Clarey	
	Darren Clayton	(Resigned 26/04/17)
	David Cockcroft	
	Pat Collins	(Resigned 26/04/17)
	David Eccles	
	John Ford	
	Jason Hobday	
	Janet Keen	(Appointed 26/04/17)
Company Secretary	Martin Hodgson	
Senior Management Team		
	Martin Hodgson	Chief Executive
	Rob Blackmore	Housing Manager
	Andrew Pearce	Strategic Housing Director
	Kevin Lilwall	North Somerset Director
	Georgina Jones	Sedgemoor Director
	Dave Jackson	West Somerset Director
	Jonica Walkinshaw	Training and Education Director
	Ruth Cuthbert	Business and Finance Director
Company Registration Number	03746771	
Registered Charity Number	1076434	
Registered Social Landlord Number	H4245	
Ofsted Registration	Barley Wood Nursery ET489024 Yew Tree Nursery EY555987	
Registered office and place of business	George Williams Centre Friarn Avenue Bridgwater Somerset TA6 3RF	
Auditors	MHA Monahans Chartered Accountants Fortescue House Court Street Trowbridge BA14 8FA	

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2018

Solicitors

Tozers
Broadwalk House
Southernhay West
Exeter
EX1 1UA

Bankers

Lloyds TSB Plc
25 Cornhill
Bridgwater
Somerset

Allied Irish Bank
19 Whiteladies Road
Clifton
Bristol

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (including the Strategic Report) For the year ended 31 March 2018

The Board of Directors of Bridgwater YMCA, who also act as the trustees of the charitable company, present their report, including a Strategic Report, and the financial statements of the association for the year ended 31 March 2018.

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

Review of activities, developments and achievements

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

Objectives and activities

The objects of Bridgwater YMCA are as follows:

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

During 2017/18 the board continued to review the Vision and Mission for the next five years. This was completed in line with the new brand and vision adopted by YMCA England.

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

1. Mission Statement

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

2. Strategic Aims

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (Including the Strategic Report) For the year ended 31 March 2018

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

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

Vision

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

How we help

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

Work Areas

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

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

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

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

Accommodation "We believe that every young person should have a safe place to stay."

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

AIMS

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

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

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

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

Values & Ethos

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (Including the Strategic Report) For the year ended 31 March 2018

Bridgwater YMCA programmes consist of:

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

Public Benefit

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

Health and Wellbeing

Programme delivery including youth work, fitness and outdoor activities continued to increase throughout this year. The result of this move is shown in the significant financial improvement for services within this area. During 2017/18 we met and exceeded all KPI targets set by our funders (over 10,000 young people used our facilities during this year). This has provided the encouragement for the team to develop new and innovative programme opportunities.

Family Work

During the year the association purchased Yew Trees Nursery and Farm, a 100 place early years setting in 14 acres of the Somerset levels. Having been in operation for 17 years the association was uniquely placed to continue the legacy of the previous owner and bring new life into the setting. The location has great scope for improvement and expansion, and the association has already begun this work in earnest introducing an attractive Daycamp scheme to the venue and increasing the facilities and capacity of the Babies room.

Barley Wood our first early years setting created and delivered by Bridgwater Young Men's Christian Association, a 60 place nursery providing wrap around care for ages 3 months to 5 years has increase in registrations this year to 85% capacity. The nursery is co-located with our newest social enterprise, through converting an 19th Century House into a vibrant community meeting space and wedding venue with accommodation. This enterprise has created 6 ongoing apprenticeships across a range of disciplines.

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (Including the Strategic Report) For the year ended 31 March 2018

Training and Education

The Beach Hotel in Minehead is now in its fourth year of operation and has since its inception provided 46 new apprenticeships in professional cookery, hospitality and housekeeping. Whilst making this provision the levels of customer service are high, evidenced in our ranking as the most popular hotel in

Barley Wood continues to offer training opportunities to young people in partnership with Weston College, this partnership creates apprenticeships for those young people whom may have specific barriers in the way of further developing their learning.

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

Accommodation

Homes England continue to provide an important part of our funding for capital developments. Whilst Somerset County Council fund the support and prevention, education and accommodation elements of our service.

During 2017/18 funds from the Homes England allowed for the development of units in Bath and North East Somerset in partnership with YMCA Bath Group. These units under the banner 'Platform for Life' will provide much needed move on accommodation across the county.

We continue to operate Wade House in Highbridge which provides emergency accommodation for Homeless families. The partnership with Sedgemoor District Council is important to both organisations in this provision.

For much of the year Clifford Searle House, owned by YMCA England, was managed by Bridgwater YMCA. This facility provides our young people who are ready for more independent living with accommodation without losing links with their support workers. During the year we worked in partnership with YMCA England and our Bank to effect a transfer of the building to Bridgwater YMCA, this took place in February 2018.

Pathways to Independence

In January 2017 we commenced the delivery of the contract across both Sedgemoor, West Somerset and Taunton Deane. The pathway is funded by Somerset County Council and is designed to provide Homelessness advice, emergency accommodation and guidance to young people, which includes preventative work to be delivered in schools. The pathway also provides support in YMCA accommodation and floating support to young people living in their own accommodation.

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

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (Including the Strategic Report) For the year ended 31 March 2018

Fundraising and compliance with Fundraising Standards

During the year we continued to develop our approach to fundraising of identifying 4 key events through which we seek to raise funds and our profile. The first event 'Mendip Mower Racing' again attracted over 3000 people over the course of the weekend and significantly raised the profile of the Charity. This event has been and will continue to be developed further alongside partners and suppliers with the aim of future events presenting a surplus of at least £10,000. Other events held and planned include an 'evening with' event, a Sleep out highlighting the issues of homelessness and a walk raising the profile of Health and Wellbeing activities and an 'Evening with Terry Waite' held in partnership with Y Care.

Each of these Fundraising events has been planned by Bridgwater YMCA and do not rely on the support of other professional fundraising bodies. When carrying out fundraising activities we adhere to the code set out by the Fundraising Regulator. These standards are monitored and during the year we did not fail to comply, we also received no complaints with regards to our approach to fundraising. When planning for fundraising events, alongside the code, we consider if our approach could be considered and unreasonable approach on a persons privacy, we ensure we are not unreasonably persistent and that we never place undue pressure on a person to give money or property.

Young persons involvement

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

Chaplaincy Provision

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

Staff Development

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

FINANCIAL REVIEW

Overview

Incoming resources generated during the year were £4,914,943 (2017: £3,758,564) a 31% increase on 2016/17. Whilst straight operating costs were tightly controlled there was a proportionate uplift as a result of the increased income. Having acquired new business interests in the year this lead to expenditure of £4,717,586 (2016: £3,715,772).

The association has posted a surplus for the year for the year of £197,366 (2017: £42,864).

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

At the end of the year net assets were £369,376 representing an increase of 115% against 2017 net assets of £172,010, largely due to the above reasons.

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (Including the Strategic Report) For the year ended 31 March 2018

Value for Money

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

Reserves Policy

The association's reserves policy states that it aims to ensure that it retains £500,000 of unrestricted reserves; with the Board informed if this drops below £180,000. Reserves at the year end date, including restricted reserves of £18,933, were £369,376 however free reserves, i.e. unrestricted reserves less the carrying amount of functional assets were in a deficit position, having been through a significant period of growth and investment. It remains a key element of the business plan to achieve the aim of £500,000, through consolidation of current services, development of new and through careful management of budgets to achieve healthy surpluses.

The support of our Bank is key in this, and during the year we have strengthened our relationship with the Allied Irish Bank, refinancing our existing loans and gaining additional finance to enable the purchase of Yew Tree Nursery, Clifford Searle House and ensure the delivery of our capital commitments.

Occupancy levels during the year ended 31 March 2018 have increased, following the previous two years of redevelopment of stock, this has had a positive impact on revenue, alongside the further embedding of social enterprise models in our work which again have made significant contributions to our income streams. In the delivery of the later we have both had a significant impact on our beneficiaries but also increased our non-restricted funds to a level supporting the ongoing development of the association and sustain its presence as an important provider of community resources.

The trustees have along with a restructured senior management team continued adhere to a series of actions agreed during the year ended 31 March 2017. During the year ended 31 March 2018 these have shown that the plan to increase reserves is working well and we intend to continue this work during the next financial year.

Investments Policy

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Risk Policy

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

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (Including the Strategic Report) For the year ended 31 March 2018

Control and monitoring of risk arising from activities

We aim to understand, document and review all significant risks that arise from our ongoing activities. We do this by making and regularly updating a business risk analysis and following up all matters that require attention. Where controls can be created or improved in a practical and cost-effective manner, these are implemented. The business risk analysis is made available to the Board annually for review, and any matter that arises during the year with a risk score of 20 or more is highlighted at the next Board meeting.

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

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

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

PLANS FOR FUTURE PERIODS

Organisation

During Quarter three of 2018/19 we will be reviewing and publishing our new 5 year strategy for the association, this will continue the focus on more efficient use of resources, with the aim of increased sustainability and improved outcomes for children and young people whom may wish to access our services.

Delivery

We look throughout 2018/19 to continue to increase our influence across Sedgemoor, Taunton, West Somerset, North Somerset and Devon. We will be enhancing the facilities across each of our sites, increasing capacity and relevance for our varied user groups, and increase children's, family's and young people's access to support. Through enhancing our facilities we look to ensuring that all 'green' options are explored in terms of procurement of buildings, provision of energy and disposal of waste.

We will continue to be a key partner for Somerset County Council, North Somerset Council, Sedgemoor District Council, Taunton Deane, West Somerset and Weston-Super-Mare Town Council in the provision of new and innovative approaches to create opportunities for young people, plus preventing and managing homelessness for young people and families across the districts. We also intend to develop our services into Devon and working closely with the area both at County and District level.

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (Including the Strategic Report) For the year ended 31 March 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Appointment of Trustees

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

Trustee Induction and Training

Board members are recruited from the communities we serve, and in line with the needs identified from the skills audit. These members are interviewed by the Chair, President and Chief Executive, and then inducted to the full board, including safeguarding training, professional boundaries and policy review. Before becoming full board members' potential new trustees/directors, must attend at least three meetings. We are during this year reviewing our recruitment process in line with a full governance review in quarter three of 2018/19.

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

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

Organisational structure

The Board of Trustees meets at least four times a year and is supported by another four training events. Day to day running of the association is delegated to the senior management team under the leadership of the Chief Executive

Governance and financial viability and code of governance

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

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (including the Strategic Report) For the year ended 31 March 2018

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

Our self-assessment statement will be updated during the course of 2018/19 with additional information on how Bridgwater YMCA meets the Homes England's (Homes England) revised Governance & Financial Viability Standard.

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

Arrangements for setting pay of key management personnel

The directors consider the Board of directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All directors' expenses and related party transactions are disclosed in notes 7 and 25 to the accounts.

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

Relationship between the charity and related parties

Bridgwater YMCA has strong relationships with its partners, whilst also having strong links with fellow YMCA's working in conjunction with them to develop our services and skills.

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

Trustees' responsibilities

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

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

TRUSTEES' REPORT (including the Strategic Report) For the year ended 31 March 2018

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

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

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

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

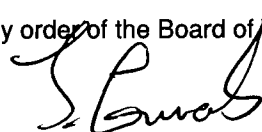
- there is no relevant audit information of which the association's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

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

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

By order of the Board of Trustees



John Ennals
Chair

27/04/18

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION For the year ended 31 March 2018

Opinion

We have audited the financial statements of Bridgwater YMCA for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Change in Reserves, the Cash Flow Statement 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 association's affairs as at 31 March 2018, and of the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

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 association 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 board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association'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.

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION For the year ended 31 March 2018

Other information

The board is responsible for the other information. The other information comprises the information included in the Trustees' 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 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 the audit:

- the information given in the Trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report (incorporating the strategic report).

We have nothing to report in respect of the following matters in relation to which 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

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

- satisfactory system of control over transactions has not been maintained.

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION For the year ended 31 March 2018

Responsibilities of the board

As explained more fully in the trustees' responsibilities statement set out on pages 11 and 12, the board is 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 board 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 board is responsible for assessing the association'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 board either intends to liquidate the association 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

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



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


28/09/18

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

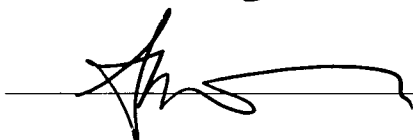
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT) For the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	4,914,943	3,758,564
Operating expenditure		(4,631,336)	(3,628,929)
Operating surplus		283,607	129,635
Interest receivable and similar income	4	9	72
Interest payable and similar charges	5	(86,250)	(86,843)
Surplus on ordinary activities for the year before tax		197,366	42,864
Taxation		-	-
Surplus for the year after tax and total comprehensive income		197,366	42,864

On behalf of the Board:



JOHN ENNALS, Chair



ALASTAIR MATTHEWS, Trustee

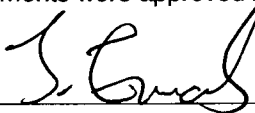
BALANCE SHEET
As at 31 March 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible fixed assets	10	322,292	-
Tangible fixed assets			
<i>Social housing properties</i>	11	8,128,745	6,354,852
<i>Other properties</i>	11	12,318,027	10,938,573
<i>Other tangible fixed assets</i>	12	646,200	468,668
		21,092,972	17,762,093
Fixed asset investments	13	10,000	-
		21,425,264	17,762,093
CURRENT ASSETS			
Stocks		9,268	11,841
Debtors	14	411,257	395,247
Cash at bank and in hand		131,636	405,030
		552,161	812,118
CREDITORS: amounts falling due within one year	15	(3,112,924)	(2,954,442)
NET CURRENT LIABILITIES		(2,560,763)	(2,142,324)
TOTAL ASSETS LESS CURRENT LIABILITIES		18,864,501	15,619,769
CREDITORS: amounts falling due after one year	16	(18,495,125)	(15,447,759)
NET ASSETS		369,376	172,010
RESERVES			
Income and expenditure reserve	21	350,443	150,469
Restricted reserve	21	18,933	21,541
TOTAL RESERVES		369,376	172,010

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

27/09/18

and signed on their



JOHN ENNALS, Chair



ALASTAIR MATTHEWS, Trustee

The annexed notes form part of these financial statements

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**STATEMENT OF CHANGE IN RESERVES**
For the year ended 31 March 2018

	Restricted reserve	Income & expenditure reserve	Total
At 1 April 2016	-	129,146	129,146
Surplus for the year	-	42,864	42,864
Total comprehensive income	-	42,864	42,864
Transfers	21,541	(21,541)	-
At 31 March 2017 and 1 April 2017	21,541	150,469	172,010
Surplus for the year	-	197,366	197,366
Total comprehensive income	-	197,366	197,366
Transfers	(2,608)	2,608	-
At 31 March 2018	<u>£ 18,933</u>	<u>£ 350,443</u>	<u>£ 369,376</u>

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

STATEMENT OF CASH FLOWS For the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flow from operating activities	22	1,271,803	387,719
Interest paid	5	(86,250)	(86,843)
Net cash flow from operating activities		1,185,553	300,876
Cash flow from investing activities			
Payments to acquire tangible fixed assets	10, 11, 12	(3,742,464)	(759,228)
Payments to acquire investments	13	(10,000)	-
Social housing and other grants received		494,150	743,434
Non capital costs associated with capital grants		(25,000)	-
Interest received	4	9	72
Net cash flow from investing activities		(3,283,305)	(15,722)
Cash flow from financing activities			
Repayment of long term loans		(2,216,723)	(51,537)
Proceeds from issue of new long-term loans		4,041,081	-
Net cash flow from financing activities		1,824,358	(51,537)
Change in cash and cash equivalents in the year		(273,394)	233,617
Cash and cash equivalents at 1 April 2017		405,030	171,413
Cash and cash equivalents at 31 March 2018		131,636	405,030
Cash and cash equivalents consists of:			
Cash and cash equivalents at 31 March 2018		131,636	405,030

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. ACCOUNTING POLICIES

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

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

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

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

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

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

(b) Group financial statements

The financial statements contain information about Bridgwater YMCA as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402 of the Companies Act 2006 from the requirements to prepare consolidation financial statements as its subsidiary undertaking can be excluded from consolidation in Companies Act group accounts under Section 405 of the Act; in this case the option available under section 405(2) of the Companies Act 2006 to exclude the wholly owned subsidiary from consolidation on the basis that its inclusion is not material for the purpose of giving a true and fair view.

(c) Tangible fixed assets

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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

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

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

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

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

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

(d) Intangible assets - goodwill

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is 10 years which is the maximum permitted by FRS 102. The reason for choosing this period is it is not possible to make a reliable estimate of the useful life of the goodwill however the association feels that the maximum possible period should be applied on the basis of the period over which the nursery purchased has been trading and built up a reputation is greater than 10 years at 17 years. Provision is made for any impairment.

(d) Intangible assets - other

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired on business combinations are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Provision is made for any impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Intangible assets are amortised on a straight line basis over their useful lives. The useful lives of intangible assets are as follows:

Intellectual property	Over 10 years
-----------------------	---------------

(e) Investments

Investments in subsidiaries are measured at cost less impairment.

(f) Stocks

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

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Loans and borrowings

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

(i) Provisions

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

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

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

(j) Leases

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

(k) Tax

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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

(1) Turnover, government grants and other income

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

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

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

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

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

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

No amount is included in the financial statements for volunteer time in line with the principles of the Charities SORP (FRS 102) as the association is a charity, although the association does not need to follow the Charities SORP as the Housing SORP takes precedence.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Interest income is recognised using the effective interest method.

(m) Expenditure recognition

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

(n) Employee benefits

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

Bridgwater YMCA also participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Bridgwater YMCA for the purposes of FRS 102 disclosure, therefore the scheme is accounted for as a defined contribution scheme. However, as described in note 23 Bridgwater YMCA has a contractual obligation to make pension deficit payments and a discounted liability for the amounts payable is included in these accounts.

(o) Restricted reserves

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

(p) Going concern

The association has generated a surplus of £197,366 in the year compared to a surplus of £42,864 in the previous period.

Before the impact of depreciation, amortisation and movements in capital grants (depreciation and amortisation of £389,293 less capital grants of £230,925), the association has demonstrated that cash surpluses in the region of £350,000 per annum can be generated, this subject to stock, debtors and creditors remaining stable.

The association has net current liabilities of £2,560,763 as at 31 March 2018 (2017: £2,142,324), which is largely represented by £1,135,127 of unspent capital grants received towards a number of property development projects phased to complete over the next two years. The cash position at the year-end stood at £131,636 (2017: £405,030).

The association has a facility in place to deliver the remainder of the property development projects, and are in contract, and on site, with the development forecast to complete in August 2019.

Alongside this association has now evidenced that is now capable of generating significant positive cashflows and are therefore confident that it will be able to reverse this current net liability position over the next two years.

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Cashflow forecasts have been prepared for three years which indicate the association can continue operating until October 2019, with further positive projections for the following two years, while continuing to deliver a programme of capital development.

(q) Judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include obligations under defined benefit pension schemes (see note 23) and the split and useful lives of components of social housing properties (note 11).

2. SOCIAL HOUSING TURNOVER AND COSTS

	2018 £	2017 £
Rent receivable after voids but excluding service charges	1,711,487	1,253,832
Revenue grants receivable	1,304,399	903,633
Total social housing income	<u>3,015,886</u>	<u>2,157,465</u>
Social Housing activity expenditure	(2,238,970)	(1,557,104)
Operating surplus from social housing activities	<u>776,916</u>	<u>600,361</u>
Memo:		
Void losses	508,804	474,879
Amortised government grants relating to social housing taken to income	<u>(109,322)</u>	<u>(87,845)</u>

3. ACCOMODATION OWNED AND IN MANAGEMENT

	2018 Units	2017 Units
Supported Housing	<u>201</u>	<u>173</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £	2017 £
Bank interest receivable	9	72
	<u>9</u>	<u>72</u>

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £	2017 £
Bank loans and overdrafts	76,242	74,593
Pension interest charge	10,008	10,680
Interest on late payment of VAT	-	1,570
	<u>86,250</u>	<u>86,843</u>

6. SURPLUS ON ORDINARY ACTIVITIES

	2018 £	2017 £
The operating surplus is arrived at after charging:		
Auditors remuneration - audit work	11,250	13,000
Auditors remuneration - audit work prior year under accrual	1,000	3,733
Auditors remuneration - non audit work	11,262	10,198
Depreciation of tangible fixed assets	386,585	423,508
Amortisation of intangible fixed assets	2,708	-
Government grants amortised	(230,925)	(249,231)
Operating lease rentals	213,790	35,633
Rent losses from bad debts	<u>37,724</u>	<u>49,751</u>

7. TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

Total remuneration for key management personnel of the association amounted to £398,587 (2017: £236,396). The key management includes the trustees, directors and senior management team as detailed on page 1.

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

The highest paid director received £85,911 (2017: £62,077) remuneration (excluding pension contributions). This included £10,664 of a backdated payrise. The actual annual salary of the highest paid director is £75,247.

The pension contributions made on behalf of the Chief Executive were £1,609 (2017: £1,655). He is an ordinary member of one of the defined contribution pension schemes offered to employees.

During the year no trustees received any reimbursement of expenses (2017: £nil).

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

8. STAFF NUMBERS AND COSTS

	2018	2017
	£	£
Wages and salaries	2,085,148	1,513,090
Social security costs	151,735	94,703
Pension costs	45,941	34,754
Pension deficit liability admin costs	5,819	5,356
	<u>2,288,643</u>	<u>1,647,903</u>

One employee received remuneration in the £80k to £90k band in 2018, however on an annualised basis, the employee would be in the £70k to £80k band. In the prior year, one employee received remuneration in the £60k to £70k band. No other employee received remuneration over £60k.

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

	2018	2017
Management and administration	21	19
Development	47	48
Housing, support and care	60	54
	<u>128</u>	<u>121</u>

The average weekly number of employees, including members of the executive team, calculated on a full time equivalent basis was 96 (2017 : 80).

9. TAXATION

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

10. INTANGIBLE FIXED ASSETS

	Intellectual Property	Goodwill £	Total £
Cost			
At 1 April 2017	-	-	-
Additions through business combinations	25,000	300,000	325,000
At 31 March 2018	<u>25,000</u>	<u>300,000</u>	<u>325,000</u>
Amortisation			
At 1 April 2017	-	-	-
Charge for the year	208	2,500	2,708
At 31 March 2018	<u>208</u>	<u>2,500</u>	<u>2,708</u>
Net book value			
At 31 March 2018	<u>24,792</u>	<u>297,500</u>	<u>322,292</u>
At 31 March 2017	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

Business combinations

Yew Tree Nursery Limited was purchased by Bridgwater YMCA on 28 February 2018 for £2,000,000, with £1,700,000 paid in cash and an agreement to defer payment of £300,000 for one year. Goodwill of £300,000 and intellectual property of £25,000 were included within the purchase price, with the balance being relating to the purchase of land, buildings and fixtures and fittings. Goodwill represents the reputation and customer base built up by the nursery and is amortised over 10 years. In the consolidated statement of income, £64,919 of income received in the year related to the new business combination.

11. TANGIBLE FIXED ASSETS - PROPERTIES

	Housing properties £	Develop- ment costs £	Non- housing properties £	Total £
Cost				
At 1 April 2017	6,989,774	348,399	11,395,554	18,733,727
Additions	1,836,493	67,119	1,479,977	3,383,589
Transfers	37,120	(37,120)	-	-
At 31 March 2018	<u>8,863,387</u>	<u>378,398</u>	<u>12,875,531</u>	<u>22,117,316</u>
Depreciation				
At 1 April 2017	634,922	-	805,380	1,440,302
Charge for the year	99,720	-	130,522	230,242
At 31 March 2018	<u>734,642</u>	<u>-</u>	<u>935,902</u>	<u>1,670,544</u>
Net book value				
At 31 March 2018	<u>8,128,745</u>	<u>378,398</u>	<u>11,939,629</u>	<u>20,446,772</u>
At 31 March 2017	<u>6,354,852</u>	<u>348,399</u>	<u>10,590,174</u>	<u>17,293,425</u>

The net book value of housing properties comprised:

	2018 £	2017 £
Freehold	6,788,816	4,972,188
Long Leasehold	<u>1,339,929</u>	<u>1,382,664</u>
	<u>8,128,745</u>	<u>6,354,852</u>

The net book value of non-housing properties comprised:

	2018 £	2017 £
Freehold	10,016,312	8,653,130
Long Leasehold	<u>1,923,317</u>	<u>1,937,044</u>
	<u>11,939,629</u>	<u>10,590,174</u>

Included within properties is land totalling £4,725,000 (2017: £3,097,000) which is not depreciated. A reassessment on the land elements of certain properties was completed during the year which resulted in an additional £598,000 of property costs for properties also owned in the prior being reclassified as land.

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2018**

Properties with a net book value of £7,950,799 at 31 March 2018 (31 March 2017: £7,760,623) have been pledged as security for liabilities of the association. These assets have restricted title.

12. OTHER TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2017	1,170,843	8,862	1,179,705
Additions	308,875	25,000	333,875
At 31 March 2018	<u>1,479,718</u>	<u>33,862</u>	<u>1,513,580</u>
Depreciation			
At 1 April 2017	703,869	7,168	711,037
Charge for the year	155,669	674	156,343
At 31 March 2018	<u>859,538</u>	<u>7,842</u>	<u>867,380</u>
Net book value			
At 31 March 2018	<u>620,180</u>	<u>26,020</u>	<u>646,200</u>
At 31 March 2017	<u>466,974</u>	<u>1,694</u>	<u>468,668</u>

13. FIXED ASSET INVESTMENTS

	Other investment £	Total £
Cost		
At 1 April 2017	-	-
Additions	10,000	10,000
At 31 March 2018	<u>10,000</u>	<u>10,000</u>
Impairment		
At 1 April 2017	-	-
Written off	-	-
At 31 March 2018	<u>-</u>	<u>-</u>
Carry amount		
At 31 March 2018	<u>10,000</u>	<u>10,000</u>
At 31 March 2017	<u>-</u>	<u>-</u>

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Included within other investments is a 100% holding in the ordinary share capital of YMCASC Trading Limited, a company incorporated in England and Wales. At the year end, the aggregate capital and reserves of the company amounted to £10,000 and profit / loss for the year amounted to £nil. YMCASC Trading Limited was dormant during the period.

14. DEBTORS

	2018 £	2017 £
Trade debtors (gross social housing rent arrears)	174,319	126,169
Less: provision for doubtful debt	(20,592)	(17,802)
Other trade debtors	159,531	195,873
Prepayments and accrued income	59,174	85,442
Other debtors	38,825	5,565
	<u>411,257</u>	<u>395,247</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Housing loan (see note 17)	34	31
Bank loans (see note 17)	149,824	66,443
Trade creditors	509,373	535,381
Amounts owed to group undertakings	10,000	-
Other taxation and social security	46,438	30,825
VAT creditor	143,619	137,055
Social Housing Grant and Other Grants not spent	1,135,127	1,792,035
Other creditors	321,929	11,339
Government grants	265,968	247,945
Accruals and deferred income	496,529	100,298
Pensions liability (see note 23)	34,083	33,090
	<u>3,112,924</u>	<u>2,954,442</u>

16. CREDITORS: Amounts falling due in more than one year

	2018 £	2017 £
Housing loan (see note 17)	11,295	11,329
Bank loans (see note 17)	3,829,863	2,088,855
Government grants	14,334,788	12,996,328
Deferred income	43,750	50,750
Pensions liability (see note 23)	275,429	300,497
	<u>18,495,125</u>	<u>15,447,759</u>

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2018

17. BORROWINGS

Analysis of maturity of debt:

	Housing Loan 2018 £	Bank loans 2018 £	Housing Loan 2017 £	Bank loans 2017 £
Less than one year	34	149,824	31	66,443
Between one and two years	39	863,944	34	68,634
Between two and five years	144	1,272,163	129	219,604
After five years	11,112	1,693,756	11,166	1,800,617
	11,329	3,979,687	11,360	2,155,298

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

In the prior year the bank loans comprised two loan agreements with Charity Bank.

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

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

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

During the year the loans with the Charity Bank were consolidated into one loan with Allied Irish Bank (AIB). Two new loans were taken out with AIB.

- The consolidated loan was for £2,192,581 on drawdown, for a term of 10 years with interest being charged at a rate of 3 month LIBOR plus a 2.75% margin.

- One new loan had a drawdown of £1,700,000 on a 3 year term with interest being paid charged at a rate of 3 month LIBOR plus a 3.45% margin.

- The second new loan had a drawdown of £148,500 on a 3 year term with interest being paid charged at a bank base rate plus 3.25%.

The AIB loans are secured by fixed legal mortgages on some of the property assets of the association and a mortgage debenture over the association.

18. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Not later than one year	160,090	35,042
Later than one and not later than five years	233,004	21,097
Later than five years	14,090	2,826
	407,184	58,965

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

19. CONTINGENT LIABILITIES

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

The association receives capital grants from the Homes and Communities Agency and other funders, which is used to fund the acquisition and development of properties and their components. In certain circumstances upon disposal of grant funded properties the association is required to repay this grant or recycle it by crediting a Recycled Capital Grant Fund.

At 31 March 2018, the group has not disposed of any such components and plans to hold in perpetuity. It is therefore unlikely any such future disposal will take place, no provision has been recognised in these financial statements.

20. SHARE CAPITAL

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

21. RESERVES

INCOME AND EXPENDITURE RESERVE

This represents cumulative surpluses and deficits net of other adjustments.

Year ended 31 March 2018

	Brought Forward 01/04/2017 £	Surplus for year £	Transfers to restricted reserve £	Carried Forward 31/03/2018 £
Income and expenditure reserve	<u>150,469</u>	<u>197,366</u>	<u>2,608</u>	<u>350,443</u>

Year ended 31 March 2017

	Brought Forward 01/04/2016 £	Prior year adjustment £	Movement in year £	Carried Forward 31/03/2017 £
Income and expenditure reserve	<u>238,146</u>	<u>(66,136)</u>	<u>21,323</u>	<u>193,333</u>

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Movements in the year were as follows:

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

RESTRICTED RESERVE

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

Year ended 31 March 2018

	Brought Forward 01/04/2017 £	Net transfer £	Carried Forward 31/03/2018 £
Restricted reserve	<u>21,541</u>	<u>(2,608)</u>	<u>18,933</u>

Year ended 31 March 2017

	Brought Forward 01/04/2016 £	Net transfer £	Carried Forward 31/03/2017 £
Restricted reserve	<u>-</u>	<u>21,541</u>	<u>21,541</u>

Any restricted funds held at the year end date are represented by cash.

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

Year ended 31 March 2018

	Brought Forward 01/04/2017 £	Incoming Resources £	Resources Expended £	Carried Forward 31/03/2018 £
Power to Change	21,541	-	(4,541)	17,000
Barley Wood Storage	-	933	-	933
Bristol Airport Nursery	-	1,000	-	1,000
Big Lottery Youth Investment Fund	-	112,704	(112,704)	-
	<u>21,541</u>	<u>114,637</u>	<u>(117,245)</u>	<u>18,933</u>

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Year ended 31 March 2017

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

Restricted reserve descriptions

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

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

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

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

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

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

Barley Wood Storage - Hannah More Archives. YMCA Trust South West. Archive grade storage facilities at Barley Wood.

Bristol Airport Nursery - Bristol Airport Community Fund. Sunshades for outdoor play at Barley Wood Nursery.

Big Lottery Youth Investment Fund - A 3 year project developing youth provision across Somerset.

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

22. RECONCILIATION OF OPERATING SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Surplus for the year	197,366	42,864
Depreciation charges	386,585	423,508
Amortisation	2,708	-
Interest receivable	(9)	(72)
Interest payable	86,250	86,843
Decrease / (increase) in stock	2,573	(6,734)
Decrease / (increase) in debtors	(16,010)	(266,471)
Increase / (decrease) in creditors	381,415	(141,450)
Government grants utilised in the year	230,925	249,231
	<u>1,271,803</u>	<u>387,719</u>

23. PENSION COMMITMENTS

The association operates two defined contribution pension schemes, one with Scottish Widows (previously with Aviva) and one with the People's Pension. The assets of the schemes are held separately from those of the association in independently administered funds. The pension cost charge represents contributions payable by the association to the two funds and amounted to £45,941 (2017: £34,754). Contributions totalling £5,799 (2017: £5,406) were payable to the funds at the year-end and are included in creditors.

The YMCA Pension and Assurance Plan and Group Life Scheme

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

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

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Bridgwater YMCA for the purposes of FRS102 disclosure and accordingly the FRS102 deficit is not shown on the balance sheet.

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

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. Bridgwater YMCA has been advised that it will need to make monthly contributions of £2,507 from 1 May 2016. Bridgwater YMCA is also responsible for paying Weston Super Mare YMCA's monthly contributions of £257 in respect of the YMCA Pension Plan. These amounts are based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 12 years commencing 1st May 2015.

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

	2018 £	2017 £
Reconciliation of opening and closing liability		
Opening liability	333,589	355,999
Unwinding of the discount factor (interest expense)	10,007	10,680
Deficit contribution paid	(34,084)	(33,090)
Closing liability	<u>309,512</u>	<u>333,589</u>

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

24. CAPITAL FUNDING COMMITMENTS

	2018 £	2017 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements		365,983
	<u>-</u>	<u>365,983</u>

25. RELATED PARTY TRANSACTIONS

Purchases totalling £60,912 (2017: £41,475) were made from Collins Chartered Surveyors, an entity run by Pat Collins, a trustee until 26/04/2017. At the year end date £52,224 (2017: £5,360) was owed to Collins Chartered Surveyors and included in trade creditors.

During the year purchases of £4,345 (2017: £7,366) were made from J E Air Conditioning Limited, a company owned by a close relative of the Chief Executive, J E Hehir. In 2017, a back up generator was purchased from J E Hehir in the year for £3,600. No amounts were outstanding at the year end date.

At the year end date an amount of £2,372 was due from the Chief Executive (2017: £69 was owed to the Chief Executive).

BRIDGWATER YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

26. ULTIMATE CONTROLLING PARTY

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