

YMCA WORCESTER

Part of Worcestershire YMCA

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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

WORCESTER YMCA

CONTENTS

	Page
Report of the Board	2
Report of the Auditors	12
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to financial statements	18

WORCESTER YMCA

REPORT OF THE BOARD

The Board is pleased to present its report and audited financial statements for the year ended 31 March 2018.

Reference and administration information

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

Board

The Board is composed of the following individuals:

Mike Higley (Chair)	
Dr John Cochrane	Resigned 13 March 2018
Simon Hill	
Jacintha Hodgson	
Dr Juliet Horne	Appointed 28 December 2017
Philip Simpson	

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

Registered Office

YMCA Hostel
Henwick Road
St Johns
Worcester
WR2 5NS

Auditors

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

Bankers

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Solicitors

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

WORCESTER YMCA

REPORT OF THE BOARD

Structure, Governance and Management

Constitution

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

Organisational structure

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

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

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

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

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

Recruitment and appointment to the Board

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

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

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

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

WORCESTER YMCA

REPORT OF THE BOARD

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

Board member induction and training

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

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

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

Code of Governance

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

Statement of Board responsibilities

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

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

Company law requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

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

The board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

WORCESTER YMCA

REPORT OF THE BOARD

Provision of information to auditors

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

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

Corporate Governance – internal financial control

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

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

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

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

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

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

Risk management

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

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

Risk	Mitigation and further action to be taken
Governance – loss of key staff	Trustees act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly. Succession planning is in progress. Further action: review structure for greater robustness.

WORCESTER YMCA

REPORT OF THE BOARD

Risk management (continued)

Operational – project / service development	The disposal of Henwick Road presents an opportunity to diversify activity and better tailor services to the needs of young people. A property has been acquired to further this ambition; plans are in place to identify additional locations for continued provision of certain services and appropriate alternative service providers where necessary. Plans are also in place towards broader diversification of service provision. Further action: continue to plan to ensure appropriate continuity of service for existing service users.
Financial – dependency on limited income sources	Major dependencies on supported housing and local government funding. Strategic plans aim to change the mix of income to include fundraising and the provision of services that are less dependent on Government policy. Specific opportunities identified. Further action: Realise opportunities identified and monitor success of diversification plans and organisational capability to ensure they match future requirements.
Environmental or external factors – changing government policy	Networking and lobbying to minimise adverse policy changes and their effects. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Compliance – diversification of activities	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify and monitor the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.

Financial Review

Reserves

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

The Board consider there are sufficient assets to meet obligations as they arise. Net current assets are £1,824,658 (2017: £1,633,073) including property with a value of £1,300,000 which is currently for sale on the open market. Excluding this amount, net current assets would be £524,658 (2017: £333,073). This figure represents our adjusted Free Reserves.

The overall funds of the Association have increased as a consequence of a surplus arising from operational savings being achieved in anticipation of a reduction in income and a higher cost structure once the building is sold. The anticipated reduction in income was mitigated against to some extent during the year and central costs have not been apportioned between YMCA Worcestershire Limited and the Association for operational reasons.

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

The Board has reviewed its reserves policy and the designation of reserves in the light of the changes to accounting standards. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure (£102,535) to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

Employment of disabled persons

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

WORCESTER YMCA

REPORT OF THE BOARD

Objects and activities

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

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

The Association's objects and principal activities are to:

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

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

Strategy

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

Build on the strength of YMCA provision across the County; experience with Early Years and families, existing provision and partnership working. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.

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

We measure the success of the strategy:

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

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

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

WORCESTER YMCA

REPORT OF THE BOARD

Review of activities

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

The most significant charitable activity contributing to the achievement of our objectives in the year is the provision of residential accommodation

During the year our work in providing support to young people aged 16-25 and to vulnerable adults continued to reduce with some impact on our accommodation services. This meant income reduced to £799,589 (2017: £916,523), reflecting a reduction in funding for support to residents.

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

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

WORCESTER YMCA

REPORT OF THE BOARD

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

Highlighted Achievements:

Our delivery of Talent Match is in its final year of funding by the Big Lottery through Shaw Trust. The project mentors 18-24 year olds, who are furthest from the job market, to gain skills they will need for employment. The project runs throughout the county with three key workers supporting young people who live in the local area. Across Worcestershire, through the joint work of YMCA Worcestershire Limited and YMCA Worcester we have worked with 73 young people (2017: 76), 31 of these young people are now in employment. Jointly we are still supporting the remaining young people through the project. Talent Match is due to finish in December 2018.

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

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

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

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

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

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

WORCESTER YMCA

REPORT OF THE BOARD

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

Highlighted achievements:

We have focused efforts on implementing the national YMCA brand adopted in December 2016. The next phase of the branding will update the website which will be completed in October 2018, this will complete the branding project.

We have implemented a project plan to address the recent changes in data protection regulation and the board have reviewed the Charity Commission Code of Governance.

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

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

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

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

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

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

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

Value for Money

Value for money forms part of our sustain service strategy.

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

WORCESTER YMCA

REPORT OF THE BOARD

Public Benefit

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

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

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

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

Plans for future periods

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


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

Our main objectives for next year:

Young People and Adults:

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

By order of the Board



M Higley

Chair

23 July 2018

YMCA Hostel

Henwick Road

St Johns

Worcester

WR2 5NS

Tel: 01527 61643

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

Opinion

We have audited the financial statements of Worcester YMCA for the year ended 31 March 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

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

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 Report of the Board, 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.

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

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

Matters on which we are required to report by exception

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Report of the Board and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Board responsibilities, 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report

WORCESTER YMCA

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORCESTER YMCA**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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.



Simon Atkins FCA

Senior Statutory Auditor
for and on behalf of:

PKF Cooper Parry Group Limited

Chartered Accountants and Statutory Auditor
One Central Boulevard, Blythe Valley Park, Solihull, West Midlands B90 8BG

Date: 24/09/18

WORCESTER YMCA

STATEMENT OF FINANCIAL ACTIVITIES
(including an income and expenditure account)
YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income from:					
Voluntary income	3	-	-	-	2,325
Other trading activities	4	53,527	-	53,527	42,658
Investment income		32	-	32	28
Charitable activities	5	746,030	-	746,030	871,512
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		799,589	-	799,589	916,523
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Charitable activities	6	615,210	-	615,210	671,275
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		615,210	-	615,210	671,275
		<hr/>	<hr/>	<hr/>	<hr/>
Net income for the year before other recognised gains and losses		184,379	-	184,379	245,248
		<hr/>	<hr/>	<hr/>	<hr/>
Transfers between funds	16	185,449	(185,449)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		369,828	(185,449)	184,379	245,248
		<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds					
Fund balance at 1 April 2017		1,366,999	185,449	1,552,448	1,307,200
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31 March 2018	16	1,736,827	-	1,736,827	1,552,448
		<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All activities derive from continuing operations.

WORCESTER YMCA

BALANCE SHEET

AT 31 MARCH 2018

Registered Company Number: 05056873

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	11		3,210		7,745
Investments	12		690		690
			<u>3,900</u>		<u>8,435</u>
Current assets					
Freehold property	14	1,300,000		1,300,000	
Stock		761		2,144	
Debtors	13	299,861		218,853	
Cash at bank and in hand		296,127		176,960	
		<u>1,896,749</u>		<u>1,697,957</u>	
Creditors: amounts falling due within one year	15	(72,091)		(64,884)	
Net current assets			<u>1,824,658</u>		<u>1,633,073</u>
Total assets less current liabilities			1,828,558		1,641,508
Provision for liabilities and charges	21		(91,731)		(89,060)
Net assets			<u>1,736,827</u>		<u>1,552,448</u>
Represented by					
General funds	16		883,949		521,344
Pension reserve	16		(91,731)		(98,954)
Revaluation reserve	16		944,609		944,609
Restricted funds	16		-		185,449
Total funds			<u>1,736,827</u>		<u>1,552,448</u>

Approved by the Board on 23 July 2018


M Higley

The accompanying notes form part of these financial statements.

WORCESTER YMCA

STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	119,222	98,352
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(55)	-
		<hr/>	<hr/>
Change in cash and cash equivalents during the year	19	119,167	98,352
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1 Legal status

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

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of accounting

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

Going concern

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

Fund accounting

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

Incoming resources

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

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

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

Investment income is recognised on a receivable basis.

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

Resources expended

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

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

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

Accounting policies (continued)

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

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

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

Depreciation

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

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

Investments

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

Stock

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

Current asset property

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

Operating leases

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

Pensions

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

As described in note 21, Worcester YMCA has a contractual obligation to make pension deficit payments of £10,188 per annum over the period to April 2027 and, accordingly, this is shown as a liability in these accounts. In addition, Worcester YMCA is required to contribute £1,798 per annum to the operating expenses of the pension plan and these costs are charged to the Statement of Financial Activities as made.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

Accounting policies (continued)

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

3 Voluntary income

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Grants from other charities	-	-	-	750
Donations and legacies	-	-	-	1,575
	<hr/>	<hr/>	<hr/>	
	-	-	-	2,325
	<hr/>	<hr/>	<hr/>	<hr/>

In 2017 all of the voluntary income was attributable to unrestricted funds.

4 Other trading activities

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Hiring of facilities	53,527	-	53,527	42,658
	<hr/>	<hr/>	<hr/>	
	53,527	-	53,527	42,658
	<hr/>	<hr/>	<hr/>	<hr/>

In 2017 all of the other trading activities income was attributable to unrestricted funds.

5 Charitable activities

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Residential accommodation	723,306	-	723,306	738,671
Children and youth services	22,724	-	22,724	132,841
	<hr/>	<hr/>	<hr/>	
	746,030	-	746,030	871,512
	<hr/>	<hr/>	<hr/>	<hr/>

In 2017 of the charitable activities income £802,250 was attributable to unrestricted funds and £69,262 was attributable to restricted funds.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

6 Resources expended

	Corporate Services £	Residential £	2018 Total £	2017 Total £
Direct costs				
People related	10,123	367,487	377,610	412,187
Premises related	(294)	105,365	105,071	152,006
Vehicle related	-	6,461	6,461	4,070
Office expenses	10,632	14,183	24,815	34,696
Other direct expenses	-	32,168	32,168	43,574
Indirect costs				
Overheads	21,188	42,404	63,592	37,402
Depreciation	-	902	902	4,591
Other costs	-	4,591	4,591	(17,251)
Total resources expended	<u>41,649</u>	<u>573,561</u>	<u>615,210</u>	<u>671,275</u>

Of the total expenditure of £615,210 (2017: £671,275), £615,210 (2017: £613,182) related to unrestricted funds and £nil (2017: £58,093) related to restricted funds.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

7 Operating surplus

	2018 £	2017 £
The operating surplus is arrived at after charging:		
Depreciation of tangible fixed assets	4,591	4,591
Auditors' remuneration – for audit services	6,500	3,000
	<u> </u>	<u> </u>

8 Employee costs

	2018 £	2017 £
Salaries and wages	266,897	305,645
Social security costs	19,354	34,230
Pension and other costs	5,668	14,904
	<u> </u>	<u> </u>
	291,919	354,779
	<u> </u>	<u> </u>

No employee received emoluments in excess of £60,000 (2017: none).

	2018 No.	2017 No.
The average monthly number of persons employed during the year were as follows:		
Direct charitable work	22	24
Administration	-	-
	<u> </u>	<u> </u>
	22	24
	<u> </u>	<u> </u>

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

9 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. Expenses of £Nil (2017: £nil) were reimbursed to trustees during the year.

10 Taxation

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

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

11 Tangible fixed assets

	Computer, fixtures and other equipment £	Total £
Cost		
At 1 April 2017	133,494	133,494
Additions	55	55
	<hr/>	<hr/>
At 31 March 2018	133,549	133,549
	<hr/>	<hr/>
Depreciation		
At 1 April 2017	125,748	125,748
Charge for year	4,591	4,591
	<hr/>	<hr/>
At 31 March 2018	130,339	130,339
	<hr/>	<hr/>
Net book value		
At 31 March 2018	3,210	3,210
	<hr/>	<hr/>
At 31 March 2017	7,745	7,745
	<hr/>	<hr/>

12 Investments

	2018 £	2017 £
COIF Charities Investment		
Market value at 1 April 2017	690	895
(Loss) / gain on revaluation	-	(205)
	<hr/>	<hr/>
Market value at 31 March 2018	690	690
	<hr/>	<hr/>

13 Debtors

	2018 £	2017 £
Rental income	18,642	25,220
Other debtors	270,311	193,633
Prepayments and accrued income	10,908	-
	<hr/>	<hr/>
	299,861	218,853
	<hr/>	<hr/>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

14 Property held as current asset

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

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	49,662	13,204
Other taxes and social security costs	6,559	15,384
Accruals and deferred income	12,914	17,336
Other creditors	2,956	18,960
	<hr/>	<hr/>
	72,091	64,884
	<hr/>	<hr/>

Included in accruals and deferred income above is deferred income of £8,216 (2017: £8,216) and this is analysed below:

	£
Deferred income brought forward	8,216
(Utilised) / deferred during the year	-
	<hr/>
	8,216
	<hr/>

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

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

16 Movement in funds

	Balance at 1 April 2017 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2018 £
General fund	521,344	799,589	(622,433)	185,449	883,949
Revaluation reserve	944,609	-	-	-	944,609
Pension reserve	(98,954)	-	7,223	-	(91,731)
Total unrestricted funds	1,366,999	799,589	(615,210)	185,449	1,736,827
Restricted funds					
Foyer grants	82,286	-	-	(82,286)	-
National Lottery Charities Board	103,163	-	-	(103,163)	-
Total restricted funds	185,449	-	-	(185,449)	-
Total funds	1,552,448	799,589	(615,210)	-	1,736,827

Purpose of restricted funds

Foyer grants

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

National Lottery Charities Board

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

Transfers between funds

The transfer from restricted to unrestricted funds relates to grants historically received in respect of capital works. In prior years, depreciation relating to these capital works has not been charged against the corresponding funds. Additionally, on completion of the capital works the restrictions relating to the grants would have lapsed. As such the Trustees have made the decision to transfer the entirety of the balance on these funds to unrestricted funds.

17 Analysis of net assets between funds

All assets and liabilities are allocated to unrestricted funds.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

18 Cash flows from operating activities

	2018 £	2017 £
Reconciliation to changes in resources		
Net movement in funds	184,379	245,248
Depreciation of tangible fixed assets	4,591	4,590
Reduction in value of investment	-	205
Decrease in debtors	(81,008)	(90,543)
Decrease in stock	1,383	(1)
Decrease in creditors	7,206	(53,954)
(Decrease)/increase in provisions	2,671	(7,013)
	<u>119,222</u>	<u>98,532</u>
	<u><u>119,222</u></u>	<u><u>98,532</u></u>

19 Change in cash and cash equivalents

	2018 £	2017 £
Increase in cash in the period	119,167	98,532
	<u>119,167</u>	<u>98,532</u>
Movement in net funds		
Net funds at 1 April 2017	176,960	78,428
	<u>176,960</u>	<u>78,428</u>
Net funds at 31 March 2018	<u>296,127</u>	<u>176,960</u>
	<u><u>296,127</u></u>	<u><u>176,960</u></u>

20 Analysis of net debt

	At 1 April 2017 £	Cash Flow £	Non-cash Changes £	At 31 March 2018 £
Cash at bank and in hand	176,960	119,167	-	296,127
	<u>176,960</u>	<u>119,167</u>	<u>-</u>	<u>296,127</u>
	<u><u>176,960</u></u>	<u><u>119,167</u></u>	<u><u>-</u></u>	<u><u>296,127</u></u>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

21 Pension costs

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

The most recent completed three-year valuation was as at 1 May 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 payment of 3.35% (for RPI capped at 5% p.a.), 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 result of the valuation showed that the actuarial value of the assets was £141.2m. This represented 81% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. Worcester YMCA has been advised that it will need to make monthly contributions of £849 from 1 May 2018. 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 commencing 1 May 2018.

	Within 1 year £	One to two years £	Two to five years £	After five years £	After more than one year £	Total 2018 £	Total 2017 £
As at 31 March 2018	<u>10,192</u>	<u>10,192</u>	<u>30,577</u>	<u>40,570</u>	<u>81,539</u>	<u>91,731</u>	
As at 31 March 2017	<u>9,896</u>	<u>9,896</u>	<u>29,686</u>	<u>49,478</u>	<u>89,060</u>		<u>98,955</u>

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

YMCA contributory pension scheme

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

The total pension charge for the year is shown in note 8. The amount outstanding at the year-end was £1,121 (2017: £7,894).

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

22 Capital commitments

Capital expenditure contracted for but not provided in the accounts is £nil (2017: £nil).

23 Financial commitments

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

	2018 Other £	2017 Other £
Within one year	240	829
Within two to five years	2,595	960
	<hr/>	<hr/>

24 Related Party Transactions

No members of the Board or other person related to the organisation had any personal interest in any contract or transaction entered into by the charitable company during the year (2017: nil).

During the year Worcester YMCA recharged expenses of £112,854 to Worcestershire YMCA Limited during the year. Worcester YMCA was owed £266,188 (2017: £153,322) at the year end. The movement relates to net cash movements during the year and the recharges noted above.

25 Ultimate controlling party

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

26 Post balance sheet events

Worcester YMCA exchanged contracts on the sale of the property at Henwick Road for a proposed consideration of £1.8m. However, completion and the final consideration are conditional on the purchaser obtaining the requisite planning permission. As at the date of approval of the accounts, completion has not yet occurred.

Following the balance sheet date Worcester YMCA acquired a property on Stanley Road, Worcester for £575,000.