

MAIDSTONE YMCA
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

MAIDSTONE YMCA
(A company limited by guarantee)

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MAIDSTONE YMCA

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

V A Wallis (MBE), President and Company Secretary
B W P Price, Chair
S J Fraser-Mackintosh, Vice Chair
D J Thomas (resigned 27 September 2018)
D J Mortimer
J A Collins
K Mandy
S J Rose
A J Bantock (appointed 31 January 2019)
M I Yates (resigned 5 June 2018)

Company registered number

5460005

Charity registered number

1110087

Registered and principal office

Sports and Community Centre, Melrose Close, Maidstone, Kent, ME15 6BD

Key management personnel

L Dale - Chief Executive Officer
A Kersting-Woods - Business Manager

Independent auditors

MHA MacIntyre Hudson, 71 New Dover Road, Canterbury, Kent, CT1 3DZ

Bankers

Lloyds Bank Plc, 18 Week Street, Maidstone, Kent, ME14 1RW

Close Brothers, 10 Crown Place, London, EC2A 4FT

Solicitors

Gullands, 16 Mill Street, Maidstone, Kent, ME15 6XT

MAIDSTONE YMCA

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The Trustees (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Maidstone YMCA, a company limited by guarantee for the year ended 31 March 2019.

The Trustees confirm that the annual report and audited financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102).

Objectives and activities for public benefit

The objectives of Maidstone YMCA arise from its acceptance of its founding Christian principle, The Paris Basis of 1855 incorporated into the National Statement of the Aims and Purposes of the YMCA in England as it may be amended from time to time.

Consequently the Charity is part of the Worldwide YMCA, a Christian Movement which seeks 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 their life, and to associate their efforts for the extension of his kingdom. Any difference of opinion on any other matter shall not interfere with the harmonious relations of the YMCA Movement.

The Charity welcomes, serves and works with persons of all religious faiths and of none.

Accordingly, the Objects of the Charity are: To advance the Christian faith, including by:

- promoting a Christian environment inspired and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of no faith can work together for the transformation of communities; and
- enabling people of all ages and in particular young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ;
- 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 people of all ages and in particular young people, with the object of developing their physical, mental or spiritual capacities;
- To relieve or assist in the relief of people of all ages and in particular young people, who are in conditions of need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstances.

The mission of Maidstone YMCA is to enable people to develop their full potential in mind, body and spirit. Inspired by, and faithful to our Christian values, we create supportive, inclusive and engaging communities where people of all ages can truly belong, contribute and thrive. The Charity's activities in the period under review were operating two community centres one in Loose and one in Tovil serving the Borough of Maidstone. The centres provide for over a thousand members and many non-members to take part in a range of sporting, educational and leisure activities forming strong and creative community hubs in which to develop the supportive aims of the charity.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Volunteers

Over 30 volunteers give up their time to help Maidstone YMCA by undertaking activities such as working in our two Pre-schools, 13 weeks of School Holiday Activities, over 100 Parties and a daily Children's Creche to help children gain the skills required to thrive during their childhood. Our volunteers work directly with our professional staff and other volunteers encouraging learning through a wide range of educational, sporting activities, creative play and games.

Staff in both Cafés support local people with special needs to learn new skills and be engaged within their community, the cafés add social value to the wider community by providing great facilities for people to meet together in an informal and welcoming social environment.

We are greatly indebted to these volunteers for their commitment and support.

Strategic report

Maidstone YMCA is financially strong, and experienced in the provision of community services, including for the disabled, and with special attention to the needs of young people and their families. Budgets and policies are intended to protect the financial strength of the Charity, which empowers our growth in these sectors.

Maidstone YMCA shares the Christian ethics and values of the national YMCA movement, and will participate in national policies and standards. The Board of Maidstone YMCA will strive to ensure high standards of Governance and Stewardship for both staff and clients at all times.

It continues to be Board policy to coordinate the management and promotion of both Loose and Tovil facilities. Building on our strengths in succeeding with the Loose and Tovil sites, we are looking for opportunities to extend the activities of Maidstone YMCA to other parts of the Borough. The Café in Maidstone Community Support Centre, Marsham Street is a current example. There is no intention to acquire the freehold of further sites, but rather to lease/hire/occupy suitable premises so limiting financial exposure, working in partnership with other organisations to achieve common ambitions.

Management and staff are encouraged to engage and participate in achieving our objectives, through the reporting on and review of key performance indicators: to monitor and promote membership, activities, and revenues, to optimise the use of assets such as room use/space/reserves, and human resources; to control costs, and to encourage staff development and achievement.

Achievements and performance

The Sports and Community Centre in Loose operated close to break-even this year. Despite local competition, the centre has attractive selling points being family-friendly and offering new activities throughout the year with a changing programme during term-times and holidays. The Tovil Community Centre is operating at a surplus which enables the resourcing of new and interesting projects with the community. The Tovil Centre specialises in the delivery of Pre-school provision and the facilitation of community group activities.

Financial review

The net expenditure for the year amounted to £12,346 (2018: £79,945). Total funds carried forward at the end of the year amounted to £5,025,498 (2018 - £5,037,844).

Total income at £1,126,372 grew by £75,356 (7%) on the previous year's figure. With total expenditure of £1,138,718 we recorded a small loss during the year of £12,346 which was an improvement of £67,599 on the previous year. We generated a positive cash-flow from operating activities of £54,333 in the year, before purchasing fixed assets costing £64,153 notably the installation of solar panels from which cost benefits will flow in coming years. We continue to be confident in our financial performance giving us the strength to look for

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

further growth in our activities in the Maidstone area. For example, the Charity decided to expand its catering expertise by taking over the management of the Café for the Maidstone Community Support Centre also a local charity based in central Maidstone.

Our pricing policy

Our pricing policy reflects our strategy of enabling the community to access the activities we provide consistent with the need for the Charity's financial stability. Where possible we work with outside agencies and organisations to resource funding for those with limited means to access our programmes.

Investment policy

The Trustees, having regard to the liquidity of the Charity, have kept available funds on interest bearing deposit accounts, including those with 14 day and 6-month notice requirements, in order to obtain the best return possible for the Charity.

Reserves and going concern

At the year end, the Charity held total funds of £5,025,498 (2018 - £5,037,844) of which unrestricted General Funds were £963,982 (2018 - £920,902). These funds will be used to further the Charity's objectives.

The Trustees have agreed they should maintain the Charity's free reserves to a level of approximately twelve months average expenditure. This policy is reviewed annually.

Designated funds were £3,955,716 (2018 - £4,008,842) and represent the net book value of freehold land buildings less amounts funded by restricted capital grants. This fund can only be realised by way of disposing of the Charity's tangible assets.

Restricted funds were £105,800 (2018 - £108,100) and represent the element of the Tovil Community Centre building which was funded by various grants from other external organisations.

Principal risks and risk management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks which are:

- Substantial reduction in membership – Membership is reviewed monthly and appropriate advertising is arranged to ensure areas of the business are promoted. This is reviewed against budget to see if it is being successful and programmes are varied, removed or replaced if necessary.
- Interruption to the centre facilities availability – Covered by property insurance and loss of earning cover.
- Fraud – This is mitigated as far as possible by the assignment of duties and authorisation rights set at appropriate levels. All expenditure is monitored by the Trustees who meet 10 times a year.
- Loss of Key Management Personnel including Trustees – There is a protocol of succession planning of Management staff within the organisation. Regular staff reviews and assessments ensure that staff are informed and able to share concerns relating to workplace issues.

The current position of the Trustees is healthy with eight in regular attendance at Board meetings, the Trustees continue to advertise for new Trustees.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Plans for future periods

It is the intention of the Trustees to develop further the services they offer from the community centres at Loose, Tovil and the Marsham Street Community Support Centre. We will also look for other development opportunities in the Borough consistent with our resources and expertise.

Structure, Governance and Management

Governing document

The Charity was incorporated as a company limited by guarantee by its Memorandum and Articles of Association dated 23 May 2005. It was registered with the Charity Commission with effect from 17 June 2005 under the charity number 1110087.

The Memorandum Articles of Association were replaced by new Articles of Association adopted by the members at the AGM on 27th September 2018.

The members of the company are the Trustees named on page 1, each of whom have agreed to contribute £1 in the event of the company being wound up.

Organisation structure

The day to day management is under the control of the Governance Members who are Board of Management/Trustees of the Charity and are also directors for the purpose of the Companies Act. They are assisted by a chief executive, staff and volunteers.

Recruitment and appointment of Trustees

New Trustees are appointed by the Board of Management. All new Trustees are provided with guidance obtained from the Charity Commission regarding their position. We will continue the search for new members to the Board and invite applications from anyone interested to protect and promote the values of Maidstone YMCA. Training is available and new Trustees are encouraged to take part.

Related parties and co-operation with other organisations

Any relationship the Trustees have with any organisation or person involved with the Charity must be fully disclosed to the Board of Management. In the current year no related party transactions have been reported.

Maidstone YMCA is affiliated to the national organisation YMCA England and Wales. This as a Federation membership in which we maintain our status as an independent local charity and share the national identity of the YMCA brand.

Pay policy for senior staff

Pay rates are reviewed annually by the Board taking into account increases in average earnings and the local market rates.

The directors who are the Charity's Trustees, give their time freely and hence no director received any remuneration during the year.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Fundraising approach and performance

The Charity does not use professional fundraisers. All fundraising is carried out by the Charity's own staff in accordance with the Funding Regulations.

Trustees and Board of Management

The directors of the Charity (who are honorary and known as members of the Board of Management) who served during the period, were as follows: -

V A Wallis MBE, President and Company Secretary

B W P Price, Chair

S J Fraser-Mackintosh, Vice Chair

D J Thomas (resigned 27 September 2018)

M I Yates (resigned 5th June 2018)

D J Mortimer

J A Collins

K Mandy

S Rose

A J Bantock (appointed 31 January 2019)

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of Maidstone YMCA for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

This report was approved by the Trustees, in their capacity as company directors, on 26th September 2019 and signed on their behalf by:


.....
B W P Price, Chair

MAIDSTONE YMCA
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAIDSTONE YMCA

OPINION

We have audited the financial statements of Maidstone YMCA (the 'Charity') for the year ended 31 March 2019 set out on pages 11 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAIDSTONE YMCA

required to report that fact.

We have nothing to report in this regard.

OPINION 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAIDSTONE YMCA

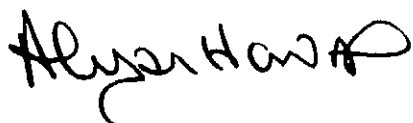
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

71 New Dover Road
Canterbury
Kent
CT1 3DZ
8 October 2019

MAIDSTONE YMCA
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Charitable activities	3	1,111,731	5,000	1,116,731	1,043,497
Investments	2	9,641	-	9,641	7,519
TOTAL INCOME		1,121,372	5,000	1,126,372	1,051,016
EXPENDITURE ON:					
Charitable activities		1,131,418	7,300	1,138,718	1,130,961
TOTAL EXPENDITURE		1,131,418	7,300	1,138,718	1,130,961
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(10,046)	(2,300)	(12,346)	(79,945)
NET MOVEMENT IN FUNDS		(10,046)	(2,300)	(12,346)	(79,945)
RECONCILIATION OF FUNDS:					
Total funds brought forward		4,929,744	108,100	5,037,844	5,117,789
TOTAL FUNDS CARRIED FORWARD		4,919,698	105,800	5,025,498	5,037,844

The notes on pages 14 to 27 form part of these financial statements.

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REGISTERED NUMBER: 5460005

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	11		4,311,096		4,357,697
CURRENT ASSETS					
Stocks	12	1,937		2,902	
Debtors	13	119,126		124,209	
Cash at bank and in hand		803,196		803,375	
		<u>924,259</u>		<u>930,486</u>	
CREDITORS: amounts falling due within one year	14	<u>(88,401)</u>		<u>(107,015)</u>	
NET CURRENT ASSETS			<u>835,858</u>		<u>823,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,146,954</u>		<u>5,181,168</u>
CREDITORS: amounts falling due after more than one year	15		<u>(121,456)</u>		<u>(143,324)</u>
NET ASSETS			<u><u>5,025,498</u></u>		<u><u>5,037,844</u></u>
CHARITY FUNDS					
Restricted funds	16		105,800		108,100
Unrestricted funds	16		4,919,698		4,929,744
TOTAL FUNDS			<u><u>5,025,498</u></u>		<u><u>5,037,844</u></u>

The financial statements were approved and authorised for issue by the Trustees on 26 September 2019 and signed on their behalf, by:


.....
B W P Price, Chair


.....
S J Fraser-Mackintosh, Vice Chair

The notes on pages 14 to 27 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>54,333</u>	<u>36,436</u>
Cash flows from investing activities:			
Returns on investment and servicing of finance		9,641	7,519
Capital expenditure and financial investment		<u>(64,153)</u>	<u>(57,133)</u>
Net cash used in investing activities		<u>(54,512)</u>	<u>(49,614)</u>
Change in cash and cash equivalents in the year		(179)	(13,178)
Cash and cash equivalents brought forward		<u>803,375</u>	<u>816,553</u>
Cash and cash equivalents carried forward		<u>803,196</u>	<u>803,375</u>

The notes on pages 14 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Maidstone YMCA meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The presentation currency of the charity during the period was GBP and all amounts have been rounded to the nearest £1.

1.2 Fund accounting

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

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

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

1.3 Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Irrecoverable VAT is charged as a specific expense in the Statement of Financial Activities incorporating Income and Expenditure account.

1.5 Going concern

After making appropriate enquiries, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold Land	-	Nil
Plant and equipment	-	10 years straight line
Fixtures and fittings	-	10 years straight line
Office equipment	-	5 years straight line
Computer equipment & software	-	3 years straight line
Buildings	-	50 years straight line
Fitness Suite Equipment	-	10 years straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

Maidstone 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 Maidstone YMCA.

As described in note 20 Maidstone YMCA has a contractual obligation to make pension deficit payments of £18,831 pa over the period to April 2027, accordingly this is shown as a liability in note 14 to these accounts. In addition, Maidstone YMCA is required to contribute £3,229 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

1.15 Volunteers

The Charity relies on unpaid volunteers for support. The value of the volunteers' time is not included in the Statement of Financial Activities incorporating Income and Expenditure account.

1.16 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

There are no key sources of estimation uncertainty that have a significant effect in the amounts recognised in the financial statements.

2. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	9,641	-	9,641	7,519
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	7,519	-	7,519	
	<hr/>	<hr/>	<hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Subscriptions and entrance fees	351,563	-	351,563	360,678
Pre-school income	281,266	-	281,266	244,846
Cafe and catering	93,356	-	93,356	92,262
Hire of facilities	347,709	-	347,709	333,917
Sundry Income	10,511	-	10,511	6,483
Tovil Parish Council Grant	-	5,000	5,000	5,000
Other Grants	1,000	-	1,000	311
Compensation for loss of earnings	26,326	-	26,326	-
	<u>1,111,731</u>	<u>5,000</u>	<u>1,116,731</u>	<u>1,043,497</u>
Total 2018	<u>1,038,497</u>	<u>5,000</u>	<u>1,043,497</u>	

Income from charitable activities was £1,116,731 (2018 - £1,043,497) of which £5,000 (2018 - £5,000) was attributable to restricted and £1,111,731 (2018 - £1,038,497) was attributable to unrestricted funds.

Included within Income from Charitable Activities is grant income received from Tovil Parish Council, a government source, of £5,000 which has been provided to contribute towards the central costs of running the Tovil Community Centre. There are no unfulfilled conditions or other contingencies attached to the grant.

4. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Direct costs - Activities	<u>1,112,919</u>	<u>25,799</u>	<u>1,138,718</u>	<u>1,130,961</u>
Total 2018	<u>1,105,236</u>	<u>25,725</u>	<u>1,130,961</u>	

Expenditure on charitable activities was £1,138,718 (2018 - £1,130,961) of which £5,000 (2018 - £7,300) was attributable to restricted funds and £1,133,718 (2018 - £1,123,661) was attributable to unrestricted funds. For further details, please see notes 5 and 6 below.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. Direct Costs

	Charitable Activities £	Total 2019 £	Total 2018 £
Purchases	40,426	40,426	41,230
Recruitment, HR and training costs	8,928	8,928	11,159
Pre-school expenses	15,218	15,218	13,933
Heat, light and water	44,098	44,098	39,984
Insurance	18,577	18,577	16,811
Marketing	25,895	25,895	26,033
Legal and professional	1,546	1,546	469
Repairs, cleaning and maintenance	60,034	60,034	51,665
Hire of equipment	2,012	2,012	2,845
Sundry	5,066	5,066	5,971
Postage and stationery	3,275	3,275	3,846
Telephone and internet	4,621	4,621	4,915
Computer expenses	13,580	13,580	11,078
Bank and cash handling charges	4,854	4,854	5,587
Travelling and entertainment	89	89	615
Licenses	13,992	13,992	13,106
Club purchases	6,315	6,315	13,402
Irrecoverable VAT	31,833	31,833	33,099
Wages and salaries	664,883	664,883	663,987
National insurance	26,664	26,664	25,349
Pension cost	10,259	10,259	9,027
Depreciation	110,754	110,754	111,125
	<u>1,112,919</u>	<u>1,112,919</u>	<u>1,105,236</u>
Total 2018	<u>1,105,236</u>	<u>1,105,236</u>	

6. SUPPORT COSTS

	Charitable Activities £	Total 2019 £	Total 2018 £
Governance costs (see note 7 below)	9,645	9,645	10,321
Postage and stationery	405	405	475
Telephone and internet	571	571	608
Computer expenses	1,678	1,678	1,369
Wages and salaries	13,500	13,500	12,952
	<u>25,799</u>	<u>25,799</u>	<u>25,725</u>
Total 2018	<u>25,725</u>	<u>25,725</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. GOVERNANCE COSTS

	2019 £	2018 £
Auditors remuneration	7,950	7,550
Accountancy costs	1,695	2,771
	<hr/>	<hr/>
Total	9,645	10,321
	<hr/>	<hr/>

8. NET EXPENDITURE

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	110,754	111,125
Auditors remuneration	7,950	7,550
	<hr/>	<hr/>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

9. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	7,950	7,550
Fees payable to the Charity's auditor and its associates in respect of:		
All other non-audit services not included above	1,695	2,771
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	678,383	676,939
Social security costs	26,864	25,349
Other pension costs	10,259	9,027
	<u>715,306</u>	<u>711,315</u>

Included within wages and salaries costs are costs relating to self employed instructors of £61,231 (2018 - £44,573).

The average number of persons employed by the Charity during the year was as follows:

2019 No.	2018 No.
84	72

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the Charity comprise the Trustees, Chief Executive Officer and Centre Manager. The total remuneration and employee benefits of the key management personnel of the Charity were £85,571 (2018 - £74,466).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2018	4,508,338	349,827	230,057	87,872	5,176,094
Additions	-	50,951	1,805	11,397	64,153
Disposals	-	-	-	(5,014)	(5,014)
At 31 March 2019	4,508,338	400,778	231,862	94,255	5,235,233
Depreciation					
At 1 April 2018	391,396	258,904	101,456	66,641	818,397
Charge for the year	55,426	27,191	13,903	14,234	110,754
On disposals	-	-	-	(5,014)	(5,014)
At 31 March 2019	446,822	286,095	115,359	75,861	924,137
Net book value					
At 31 March 2019	4,061,516	114,683	116,503	18,394	4,311,096
At 31 March 2018	4,116,942	90,923	128,601	21,231	4,357,697

The Charity is in a contract under which the purchasers of part of its land also constructed a new Community Centre on the land retained by the Charity. The sum of £4,044,812 (2018 - £4,044,812) representing the contract price was retained by the purchaser and the unexpended portion of the costs as at 31 March 2019 of £97,214 (2018 - £97,214) is included in debtors.

The cost or valuation of depreciable assets included in freehold land and buildings at 31 March 2018 amounted to £2,771,356 (2018 - £2,771,356).

12. STOCKS

	2019 £	2018 £
Finished goods and goods for resale	1,937	2,902

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. DEBTORS

	2019 £	2018 £
Trade debtors	1,418	4,317
Amounts retained by developers for new Community Centre (Note 10)	97,214	97,214
Other debtors	-	5,233
Prepayments and accrued income	20,494	17,445
	<u>119,126</u>	<u>124,209</u>

14. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	16,967	15,556
Other taxation and social security	4,811	14,195
Other creditors	32,310	48,875
Accruals and deferred income	34,313	28,389
	<u>88,401</u>	<u>107,015</u>

Deferred income

	£
Deferred income at 1 April 2018	22,927
Resources deferred during the year	26,295
Amounts released from previous years	(22,927)
	<u>26,295</u>
Deferred income at 31 March 2019	<u>26,295</u>

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

	2019 £	2018 £
Other creditors	119,874	139,786
Accruals and deferred income	1,582	3,538
	<u>121,456</u>	<u>143,324</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2019 £	2018 £
Repayable by instalments	<u>42,306</u>	<u>64,642</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Designated funds				
Designated Funds	4,008,842	-	(53,126)	3,955,716
General funds				
General Funds	920,902	1,121,372	(1,078,292)	963,982
Total Unrestricted funds	4,929,744	1,121,372	(1,131,418)	4,919,698
Restricted funds				
Tovil Community Centre Property	108,100	-	(2,300)	105,800
Tovil Fundraising	-	5,000	(5,000)	-
	108,100	5,000	(7,300)	105,800
Total of funds	5,037,844	1,126,372	(1,138,718)	5,025,498

Designated funds

As at 31 March 2019, the designated building fund totals the net book value of freehold land and buildings, less £105,800 (2018 - £108,100) funded by restricted capital grants, as the Trustees consider it unlikely that these assets would be realised in the foreseeable future.

Restricted funds

Tovil Community Centre

This restricted fund represents the part of the Tovil Community Centre building built on freehold land owned by the Charity within fixed assets which was funded by various grants from other external organisations. As at 31 March 2019 the fund total was £105,800 (2018 - £108,100).

Tovil Fundraising

This restricted fund represents contributions received from Tovil Parish Council towards the central costs of the running of the Tovil Community Centre. During the year ended 31 March 2019, income of £5,000 (2018 - £5,000) was received and was fully utilised in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated Funds	4,034,238	-	(53,126)	27,730	4,008,842
General funds					
General Funds	973,151	1,046,016	(1,070,535)	(27,730)	920,902
Restricted funds					
Tovil Community Centre Property	110,400	-	(2,300)	-	108,100
Tovil Fundraising	-	5,000	(5,000)	-	-
Total of funds	5,117,789	1,051,016	(1,130,961)	-	5,037,844

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	4,205,296	105,800	4,311,096
Current assets	924,259	-	924,259
Creditors due within one year	(88,401)	-	(88,401)
Creditors due in more than one year	(121,456)	-	(121,456)
	4,919,698	105,800	5,025,498

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	4,249,597	108,100	4,357,697
Current assets	930,486	-	930,486
Creditors due within one year	(107,015)	-	(107,015)
Creditors due in more than one year	(143,324)	-	(143,324)
	4,929,744	108,100	5,037,844

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(12,346)	(79,945)
Adjustment for:		
Depreciation charges	110,754	111,125
Dividends, interest and rents from investments	(9,641)	(7,519)
Decrease/(increase) in stocks	965	(1,076)
Decrease in debtors	5,083	16,070
Decrease in creditors	(40,482)	(2,219)
Net cash provided by operating activities	54,333	36,436

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	803,196	803,375
Total	803,196	803,375

20. PENSION COMMITMENTS

Maidstone YMCA has 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 Maidstone 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. Maidstone YMCA has been advised that it will need to make monthly contributions of £1,569 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 1st May 2017.

In addition, Maidstone YMCA may have over time liabilities in the event of the non-payment by other

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

20. PENSION COMMITMENTS (continued)

participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Maidstone YMCA may be called upon to pay in the future.

21. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year ended 31 March 2019 (2018 - Nil).

22. MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.