

BLACKBURN YMCA

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Company Registration No. 5194135 (England and Wales)

Charity Registration No. 1106198

BLACKBURN YMCA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A Drake S Hackett Mr D Hall-Davies Mr R Marsh K McGinty M R Mulloy Mr J I Sadler C J Seddon Mr J Cronin Mr C Seamarks	(Appointed 30 August 2018)
Charity number	1106198	
Company number	5194135	
Registered office	5 Wellington Street St Johns Blackburn Lancashire BB1 8AF	
Auditor	Champion Accountants LLP Unit 2 Olympic Court Whitehills Business Park Blackpool Lancashire FY4 5GU	

BLACKBURN YMCA

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

The trustees present their report and financial statements for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are to help young people, particularly at the time of need, regardless of gender, race, ability or faith. The policies adopted in furtherance of these objects arise from the acceptance of the "Basis of Union" adapted by the British Young Men's Christian Association in 1973, that is to say:

"The YMCA seeks to unite those unto, 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 the efforts for the extension of his Kingdom."

Accordingly the objectives of the charity are:

- i) To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be his disciples in their faith and in their life, and to associate their efforts for the extension of his Kingdom.
- ii) To lead young people to the Lord Jesus Christ and to fullness of life in him.
- iii) To provide or assist in the provision in the interest of social welfare of facilities for recreation and other leisure time occupation for men, women and children with the object of improving their conditions of life.
- iv) 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.
- v) 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.
- vi) To provide residential accommodation or social housing for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The trustees were pleased to see the key work of the charity successfully delivered throughout 2018, both in terms of its work with Asylum Seekers via the New Beginnings programme and the work with single people and families in housing need via its supported housing operation. This year saw the transfer of staff and operations to Fylde Coast YMCA as planned and the successful expansion of the housing property assets to include the purchase of the six housing schemes from YMCA England & Wales. This has enabled us to expand our local housing offer and support other YMCAs providing supported housing on a similar scale.

Looking ahead, we will consolidate our operation and plans include the possible transfer of another YMCA England & Wales property and offering the option to other YMCAs that operate housing on a similar scale. The Board is confident that it has the skills and experience required to oversee this operational phase, and we continue to have the support and expertise of Fylde Coast and other partners and the right level of resources in place to make these plans a reality.

BLACKBURN YMCA

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BLACKBURN YMCA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Financial review

The results for the year show a surplus on activities before revaluation of investment properties of £132,896. Investment properties were revalued by £1,784,293, having been purchased at a discount. Total funds carried forward to next year are £2,083,642, comprising restricted funds of £21,741 and unrestricted funds of £2,061,901. Included within unrestricted funds is a designated fund for major property repairs of £26,170.

The results for the year ended 31 March 2018 have been restated to reflect the permanent transfer of housing related assets to Fylde Coast YMCA in the sum of £326,360. This amount had previously been shown as repayable by Fylde Coast YMCA, who have now taken over the East Lancs supported housing function.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The trustees will reconsider this policy in the current year in the light of developments detailed above.

The trustees has 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.

Structure, governance and management

The charity is a company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A Drake

S Hackett

Mr D Hall-Davies

Mr R Marsh

K McGinty

M R Mulloy

Mr J I Sadler

C J Seddon

Mr J Cronin

Mr C Seamarks

(Appointed 30 August 2018)

All new Trustees undergo an appropriate induction programme.

None of the trustees has any beneficial interest in the company.

The Board receives support from Fylde Coast YMCA in respect of accounting and other functions.

BLACKBURN YMCA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Statement of trustees' responsibilities

The trustees, who are also the directors of Blackburn YMCA for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Champion Accountants LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr J Cronin

Trustee

Dated: 19.11.2019

BLACKBURN YMCA

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLACKBURN YMCA

Opinion

We have audited the financial statements of Blackburn YMCA (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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, 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 charity 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 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 charity'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 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.

BLACKBURN YMCA

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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; or
- the trustees 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

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

Other matter

The charity accounts for the prior year ended 31 March 2018 were not audited.

BLACKBURN YMCA

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

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D L Thorn

**Deborah Thorn FCA (Senior Statutory Auditor)
for and on behalf of Champlon Accountants LLP**

20.11.19
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**Chartered Accountants
Statutory Auditor**

Unit 2 Olympic Court
Whitehills Business Park
Blackpool
Lancashire
FY4 5GU

BLACKBURN YMCA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total as restated 2018 £
<u>Income and endowments from:</u>					
Donations and legacies	3	-	-	-	1,371
Charitable activities	4	-	43,787	43,787	246,310
Investments	5	381,202	-	381,202	-
Other income	6	25,695	-	25,695	-
Total income		406,897	43,787	450,684	247,681
<u>Expenditure on:</u>					
Charitable activities	7	208,453	35,901	244,354	203,862
Other	11	73,434	-	73,434	326,360
Total resources expended		281,887	35,901	317,788	530,222
Net gains/(losses) on investments	12	1,784,293	-	1,784,293	(95,091)
Net income/(expenditure) for the year/ Net Incoming/(outgoing) resources		1,909,303	7,886	1,917,189	(377,632)
<u>Other recognised gains and losses</u>					
Actuarial gain/(loss) on defined benefit pension schemes		2,622	-	2,622	(1,337)
Net movement in funds		1,911,925	7,886	1,919,811	(378,969)
Fund balances at 1 April 2018		149,976	13,855	163,831	542,802
Fund balances at 31 March 2019		2,061,901	21,741	2,083,642	163,833

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

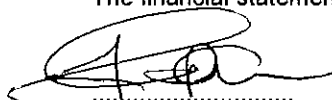
BLACKBURN YMCA

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		5,173		6,466
Investment properties	14		4,110,209		133,000
			<u>4,115,382</u>		<u>139,466</u>
Current assets					
Debtors	16	14,703		1,051	
Cash at bank and in hand		135,178		62,519	
		<u>149,881</u>		<u>63,570</u>	
Creditors: amounts falling due within one year	18	(86,580)		(23,452)	
Net current assets			63,301		40,118
Total assets less current liabilities			4,178,683		179,584
Creditors: amounts falling due after more than one year	19	(2,083,662)		-	
Provisions for liabilities			(11,379)		(15,751)
Net assets			<u>2,083,642</u>		<u>163,833</u>
Income funds					
Restricted funds	22		21,741		13,855
<u>Unrestricted funds</u>					
Designated funds	23	26,170		-	
General unrestricted funds		2,035,731		149,978	
		<u>2,061,901</u>		<u>149,978</u>	
			<u>2,083,642</u>		<u>163,833</u>

The financial statements were approved by the Trustees on 19.11.19



Mr J Cronin
Trustee

Company Registration No. 5194135

BLACKBURN YMCA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	26		(243,844)		(271,118)
Investing activities					
Proceeds on disposal of tangible fixed assets		-		6,321	
Purchase of investment property		(2,192,916)		-	
Proceeds on disposal of other investments		-		124,127	
Interest received		381,202		-	
Net cash (used in)/generated from investing activities			(1,811,714)		130,448
Financing activities					
Proceeds of new bank loans		2,177,500		-	
Repayment of bank loans		(49,283)		-	
Net cash generated from/(used in) financing activities			2,128,217		-
Net increase/(decrease) in cash and cash equivalents			72,659		(140,670)
Cash and cash equivalents at beginning of year			62,519		203,189
Cash and cash equivalents at end of year			135,178		62,519

BLACKBURN YMCA

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

1 Accounting policies

Charity information

Blackburn YMCA is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Wellington Street, St Johns, Blackburn, Lancashire, BB1 8AF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Revenue grants are credited as incoming resources when they are received, provided conditions for receipt have been complied with, and unless they relate to a specific future period in which case they are deferred.

Rental income is accounted for when receivable.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures and fittings	20% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

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

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.12 Retirement benefits

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

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Blackburn 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. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Blackburn YMCA, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 18, Blackburn YMCA has a contractual obligation to make pension deficit payments of £1750.10 per annum over the period to April 2027, accordingly this is shown as a liability in these accounts. In addition, Blackburn YMCA is required to contribute £308.65 per annum to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Donations and gifts	-	-	-	1,371
For the year ended 31 March 2018	<u>63</u>	<u>1,308</u>		<u>1,371</u>

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	Charitable Income 2019 £	Charitable Income 2018 £
Performance related grants	43,787	163,318
Ancillary trading income	-	68,289
Service charges	-	14,703
	<u>43,787</u>	<u>246,310</u>
Analysis by fund		
Unrestricted funds	-	82,992
Restricted funds	<u>43,787</u>	<u>163,318</u>
For the year ended 31 March 2018		
Unrestricted funds	82,992	
Restricted funds	<u>163,318</u>	
	<u>246,310</u>	

5 Investments

	Unrestricted funds 2019 £	Total 2018 £
Rental income	381,201	-
Income from listed investments	1	-
	<u>381,202</u>	<u>-</u>

6 Other income

	Unrestricted funds 2019 £	Total 2018 £
Other income	<u>25,695</u>	<u>-</u>

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Charitable activities

	Charitable Expenditure 2019 £	Charitable Expenditure 2018 £
Staff costs	14,446	14,396
Depreciation and impairment	1,293	1,616
Housing rents	33,615	2,049
Repairs & maintenance	71,000	-
Property insurance	14,147	277
Motor & travel expenses	5,238	3,001
Telephone	121	130
Sundry expenses	64	3,930
Computer costs	1,377	-
Postage & stationery	626	-
Development consultancy	-	125,014
	<u>141,927</u>	<u>150,413</u>
Share of support costs (see note 8)	33,762	-
Share of governance costs (see note 8)	68,665	53,449
	<u>244,354</u>	<u>203,862</u>
Analysis by fund		
Unrestricted funds	208,453	46,921
Restricted funds	35,901	156,941
	<u>244,354</u>	<u>203,862</u>
For the year ended 31 March 2018		
Unrestricted funds	46,921	
Restricted funds	156,941	
	<u>203,862</u>	

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Central management cost	33,762	-	33,762	-
Audit fees	-	3,600	3,600	-
Accountancy	-	1,410	1,410	840
Legal and professional	-	48,487	48,487	49,983
Other expenses	-	-	-	2,594
Bank charges	-	15,168	15,168	32
	<u>33,762</u>	<u>68,665</u>	<u>102,427</u>	<u>53,449</u>
Analysed between Charitable activities	<u>33,762</u>	<u>68,665</u>	<u>102,427</u>	<u>53,449</u>

9 Trustees

During the year trustee expenses totalling £113 (2018: Nil) were paid to one trustee.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	<u>1</u>	<u>1</u>
Employment costs	2019 £	2018 £
Wages and salaries	14,319	14,312
Other pension costs	127	84
	<u>14,446</u>	<u>14,396</u>

No employees were paid in excess of £60,000 per annum

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Other

	Unrestricted funds	Total
	2019	2018
		£
Financing costs	73,434	-
Transfer of assets to Fylde Coast YMCA	-	326,360
	<u>73,434</u>	<u>326,360</u>

There has been a prior year adjustment in the year to 31 March 2018 to reflect the permanent transfer of assets to Fylde Coast YMCA, previously shown as a debtor at the year end.

12 Net gains/(losses) on investments

	Unrestricted funds	Total
	2019	2018
	£	£
Revaluation of investment properties	1,784,293	(95,091)
	<u>1,784,293</u>	<u>(95,091)</u>

13 Tangible fixed assets

	Fixtures and fittings
	£
Cost	
At 1 April 2018	43,647
At 31 March 2019	<u>43,647</u>
Depreciation and impairment	
At 1 April 2018	37,181
Depreciation charged in the year	1,293
At 31 March 2019	<u>38,474</u>
Carrying amount	
At 31 March 2019	<u>5,173</u>
At 31 March 2018	<u>6,466</u>

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

14 Investment property

	2019 £
Fair value	
At 1 April 2018	133,000
Additions through external acquisition	2,192,916
Net gains or losses through fair value adjustments	1,784,293
	<hr/>
At 31 March 2019	4,110,209
	<hr/>

Investment property comprises three social housing properties in the Blackburn area. The fair value of the investment property has been arrived at on the basis of a valuation carried out at March 2017 by Clifford Smith & Buchanan, Estate Agents, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. In the opinion of the Board of Trustees, the market value at 31 March 2019 has not changed.

During the year the charity acquired six investment properties from YMCA England, which are occupied by individual YMCA's. The fair value of these investment properties has been arrived at on the basis of valuations carried out by Jones Lang LaSalle Limited in March 2015, for the purposes of the sale by YMCA England. The properties were valued on an existing use basis with occupation by a Registered Provider of Social Housing.

The properties were acquired at a discount and have subsequently been revalued to reflect, in the opinion of the Board of Trustees, the current market value based on the original formal valuations.

15 Financial Instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	-	1,051
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	2,170,193	23,452
	<hr/>	<hr/>

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

16 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	-	1,051
Prepayments and accrued income	14,703	-
	<u>14,703</u>	<u>1,051</u>

17 Loans and overdrafts

	2019 £	2018 £
Bank loans	2,128,217	-
Payable within one year	44,555	-
Payable after one year	2,083,662	-
	<u></u>	<u></u>
Amounts included above which fall due after five years:		
Payable by instalments	(1,839,495)	-
	<u></u>	<u></u>

The long term bank loan is secured by a debenture creating a fixed and floating charge over the assets of the charitable company.

The bank loan is repayable over a 25 year period by monthly instalments. The initial period of repayment to April 2023 is subject to a fixed interest rate of 3.717%. The charity may request additional fixed rate periods during the term of the loan.

18 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	17	44,555	-
Other taxation and social security		49	-
Trade creditors		30,441	22,603
Other creditors		7,771	-
Accruals and deferred income		3,764	849
		<u>86,580</u>	<u>23,452</u>

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

19 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans	17	2,083,662	-

Provisions for liabilities

	Notes	2019 £	2018 £
Retirement benefit obligations	21	11,379	15,751
		11,379	15,751

21 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £127 (2018 - £84).

Defined benefit schemes

Blackburn YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCA's in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Blackburn 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).

Valuation

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 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% per annum), 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 male pensioners, female 26.0 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets were £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. Blackburn YMCA has been advised that it will need to make monthly contributions of £150.22 from 1 May 2019. 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 9 years commencing 1 May 2017.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 Retirement benefit schemes

(Continued)

In addition, Blackburn YMCA may have over time liabilities in the event of non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible to quantify the potential amount that Fylde Coast YMCA maybe called upon to pay in the future. The next valuation will be due 1 May 2020.

The total obligation has been discounted at a rate of 3% on the advice of YMCA England.

Amounts taken to other comprehensive income:

	2019 £	2018 £
Actual return on scheme assets	(2,622)	1,337
Less: calculated interest element	-	-
Return on scheme assets excluding interest income	<u>(2,622)</u>	<u>1,337</u>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2019 £	2018 £
Due within one year	1,803	1,750
1 - 2 years	1,749	1,750
2 - 5 years	4,938	7,000
After 5 years	2,888	5,251
Total liability recognised	<u>11,379</u>	<u>15,751</u>

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 31 March 2019 £
Big Lottery New Beginning	13,855	32,555	(29,269)	17,141
SIB	-	11,232	(6,632)	4,600
	<u>13,855</u>	<u>43,787</u>	<u>(35,901)</u>	<u>21,741</u>

New Beginning - A peer-led project aimed at empowering the Refugee and Asylum community to engage in services, support each other in their new lives and help the local community to understand the circumstances that forced them to seek refuge in the UK.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Balance at 31 March 2019
	Incoming resources £	Resources expended £	
Major repairs fund	97,170	(71,000)	26,170
	<u>97,170</u>	<u>(71,000)</u>	<u>26,170</u>

Each member YMCA contributes an annual amount towards the major repairs fund. Major repairs have been estimated over a 25 year period and the contribution has been averaged. Individual YMCA's should not exceed their own accumulated reserve, but if this occurs, Blackburn YMCA will use pooled resources temporarily.

24 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:				
Tangible assets	5,173	-	5,173	6,466
Investment properties	4,110,209	-	4,110,209	133,000
Current assets/(liabilities)	46,160	17,141	63,301	40,118
Long term liabilities	(2,083,662)	-	(2,083,662)	-
Provisions and pensions	(11,379)	-	(11,379)	(15,751)
	<u>2,066,501</u>	<u>17,141</u>	<u>2,083,642</u>	<u>163,833</u>

25 Related party transactions

During the year the charity received income totalling £406,895 from other YMCA's who occupy property owned by Blackburn YMCA. The board of trustees of Blackburn YMCA includes a member from each of the tenant YMCA's.

BLACKBURN YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

26	Cash generated from operations	2019 £	2018 £
	Surplus/(deficit) for the year	1,917,189	(377,632)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(381,202)	-
	Fair value gains and losses on investment properties	(1,784,293)	95,091
	Depreciation and impairment of tangible fixed assets	1,293	1,616
	Difference between pension charge and cash contributions	(1,750)	-
	Movements in working capital:		
	(Increase)/decrease in debtors	(13,654)	5,061
	Increase in creditors	18,573	4,746
	Cash absorbed by operations	<u>(243,844)</u>	<u>(271,118)</u>