

**YMCA ST. PAUL'S GROUP**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

**COMPANY NUMBER: 2971930**

**CHARITY NUMBER: 1041923**

# YMCA ST. PAUL'S GROUP

## ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

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REFERENCE AND ADMINISTRATION DETAILS

**TRUSTEES AND DIRECTORS**

The Directors of YMCA St Pauls Group (hereafter referred to as the 'Group' or 'YMCA SPG') during the period were:

Andy Palmer	Chair
Gerald Chifamba	
Howard Dawson	
Louise Hedges	
Elisabeth Judge	(Resigned 1 April 2018)
Katherine Morrissey	(Resigned 1 February 2019)
David Morrow	(Resigned 15 September 2018)
Helen Posner	Vice Chair
Albie Stadtmiller	(Resigned 17 July 2019)
Edward Weiss	Vice Chair
Kenneth Youngman	
Roni Savage	(Appointed 18 May 2019)
Duncan Ingram	Vice chair (Appointed 16 April 2019)

**COMPANY SECRETARY**

Heather Renton	(Appointed 5 March 2019)
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**EXECUTIVE TEAM**

Richard James	Chief Executive Officer
Fred Angole	Group Finance Director and Deputy CEO
Lee Buss	Group Director of Business and Performance (appointed 11 June 2018, resigned 4 January 2019)
Marjorie James	Director of People and Services
Mark Agnew	Director of Property and Places
Angela Garrett	Area Director - South West London
Rebecca Stockman	Area Director - South London (appointed 1 April 2018, resigned 5 December 2019)
Jessica Laryea	Area Director - East London
Jacqueline Adusei	Designate Area Director - West London and Slough (Resigned 28 February 2019)
Gwynne Jarvis	Company Secretary and Legal Services Manager (Resigned 5 March 2019)

**REGISTERED AND PRINCIPAL OFFICE**

St James House  
9-15 St James Road  
Surbiton, Surrey

KT6 4QH

**REGISTERED NUMBERS**

Company	2971930
Charity	1041923
RSH	LH4078
Ofsted no	RP524773
CQC provider	1-101652524

REFERENCE AND ADMINISTRATION DETAILS

**AUDITOR**

BDO LLP  
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London W1U 7EU

**PRINCIPAL SOLICITORS**

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**PRINCIPAL BANKERS**

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246 Regent Street  
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TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

**TRUSTEES' REPORT**

The Trustees, who are also directors for the purpose of the Companies Act, present their annual report (incorporating the Group's strategic report) and financial statements of the Group for the year ended 31 March 2019.

**A. OBJECTIVES AND ACTIVITIES**

YMCA St Pauls Group ("YMCA SPG") is an inclusive organisation, which respects and honours its Christian foundations. As part of the YMCA global movement, our **Vision** is of "places where young people thrive and communities flourish" and our **Mission** is to be "an inclusive Christian Group transforming communities so that all young people can belong, contribute and thrive".

Our **Values** are to be "inclusive, aspirational, honest and excellent".

**Our Charitable Objectives**

Our charitable objectives are for the public benefit:

- (i) to advance the Christian faith, including by:
  - a. promoting a Christian environment inspired and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of none can work together for the transformation of communities; and
  - b. 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;
- (ii) to provide or assist in the provision of social welfare facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- (iii) 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;
- (iv) 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; and
- (v) to provide residential accommodation, including Social Housing, for people of all ages and in particular young people, who are in need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstances.

**Principal Activities**

In delivery of our vision and mission, the principal activities of the Group are:

- Providing over 1,100 bed spaces every night because we believe every person should have a safe place to stay
- Delivering Health and Wellbeing services to over 20,000 people each week because we believe everyone should enjoy the benefits of good health and wellbeing
- Supporting over 1,000 families per week through our children and family services and over 1,200 young people through our youth services because we believe every family should have the support they need to develop and lead more fulfilling lives.
- Providing over 200 hours of chaplaincy work every week because we believe every person should have someone they can trust.

TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

**STRATEGIC REPORT**

**B. ACHIEVEMENTS AND PERFORMANCE**

YMCA SPG is an amalgamation of YMCA London South West, Forest YMCA, YMCA Slough and West London YMCA (WL YMCA). Amalgamation with WL YMCA took place on 1<sup>st</sup> April 2018.

Merger/amalgamation activities have focussed on developing a common strategy and control framework whilst delivering the merger efficiency savings necessary to build more financial resilience. Therefore, since April 2018, the focus has been on developing a new 'YMCA SPG' way of working, developing new policies, procedures and systems. At the same time, there is a plan that spreads across several years to integrate software systems, deliver greater efficiencies and put in place a new YMCA SPG culture, driven by a new vision, mission and values.

On occasions, this has led to some inefficiencies and stresses on staff, as we have had to parallel run new systems whilst maintaining the old. We have also had to take more time to understand what people are really doing rather than what is understood to be happening.

At the same time, much of our focus has gone on ensuring we can demonstrate regulatory compliance across the group.

In the first year, post-merger/amalgamation, much work had to go on behind the scenes to get the basic building blocks right, whereas the next period requires more focus on increasing the communication to staff, residents and service users and ensuring that we manage the demands on operational staff whilst also boosting their wellbeing.

The strategic plan, agreed in May 2018, was a "plan to have plans" as there was much work to do to align services. The strategic plan required the new Executive team to review and put in place a range of strategies that aligned services, policies and operating models under the strategic aims of:

<u>Quality &amp; Impact</u>	<u>Sustainability</u>	<u>Growing &amp; Developing</u>	<u>Bring Greater Influence</u>
...developing high quality services is the best way to maximise our impact so that young people thrive and communities flourish	...having a sustainable business means we are resilient and can focus on our vision of places where young people thrive and communities flourish	...developing the right physical assets and appropriate services allows us to grow our reach so more young people can thrive and communities flourish	...using our expertise we can help influence local, regional and national policy that makes it easier for young people to thrive and communities flourish

To achieve these aims, the following strategies were agreed:

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

<u>Quality &amp; Impact</u>	<u>Sustainability</u>	<u>Growing &amp; Developing</u>	<u>Bring Greater Influence</u>
<ul style="list-style-type: none"> <li>• Digital Strategy</li> <li>• Governance Strategy</li> <li>• Theory of Change &amp; Service reviews</li> </ul>	<ul style="list-style-type: none"> <li>• People Strategy</li> <li>• Fundraising Strategy</li> <li>• Disposal Strategy</li> <li>• Risk Strategy</li> <li>• Value for Money Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Management Strategy</li> <li>• Area Strategies</li> <li>• Development Strategy</li> <li>• Collaboration and Acquisition Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Communications Strategy</li> </ul>

By the end of 2018, all but the fundraising and digital strategy had been put in place.

Progress against the overall strategic "plan of plans" was reported quarterly to the Board in 2018-19. The different, key strategies (governance, development, asset management, people, etc.) were then given focus at different meetings in the rolling plan.

Alongside this, a new performance framework was agreed that demonstrated progress against the key strategic aims. Finally, a report was produced to the Board in July 2019 that outlined some of the softer outcomes since April 2018 (see table below).

<b>Quality and Impact</b>	<b>Sustainability</b>
<p>We have agreed a new vision, mission and values.</p> <p>We have developed and agreed a new strategic plan which was a plan of strategies that needed to be developed and implemented to bring consistency across the group.</p> <p>Following the approval of the Strategic plan in May 2018, we have written, approved and started to implement key Group strategies including Value for Money, Asset Management, Communications, Risk and Development.</p> <p>We have put in place a new Board KPI Dashboard that gives the Board visibility on performance against operational targets, regulatory compliance</p> <p>We have also met all, but one items set out in the MOUs between West London YMCA and YMCA SPG; the only one left is the final transfer of assets which is subject to a financially acceptable deal with Co-Op bank</p> <p>We have undertaken a Chair recruitment exercise and have also appointed 3 new, high-quality, Board members.</p>	<p>We have also achieved a record surplus (which includes turning West London from a deficit to surplus making position).</p> <p>We have agreed a new Value for Money strategy including new financial targets and a 10% operating surplus</p> <p>We have had group wide events including 'Flourish Fest' in June 2018 (an all staff event held in 4 different locations) and the 'Strategic Managers Conference' held in March 2019.</p> <p>We have significantly reduced the number of people working on bank hour contracts.</p> <p>We are in the process of harmonising terms and conditions (excluding pay) across the Group.</p>

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

<p>We have won several awards including two from the Mayor of London (who also included us as part of his homelessness fundraising appeal in 2019)</p> <p>We have launched a new group wide HR system, are 2/3rds of the way to having an integrated Housing Management System</p> <p>We have put in place a common set of core policies and procedures (and accompanying reporting: Incidents, Complaints, Safeguarding, and GDPR). As a result of these new processes, we have been able to deliver reports on incidents, complaints and safeguarding issues every six months to the Board.</p>	
<p><b>Greater Influencing</b></p> <p>We have had 3x high profile celebratory events; a service at St Pauls Cathedral, an AGM at Methodist Central Hall Westminster and, a HRH visit (Duke of Sussex) to South Ealing (which attracted a global reach).</p> <p>We took a delegation of Board and staff members to the YMCA World Conference in Thailand in July 2018</p> <p>We played a leading role in the plans for the YMCA 175 event in August this year.</p>	<p><b>Growing and Developing</b></p> <p>We have undertaken development capacity studies on 6 sites across the group with a view on ascertaining what development capacity we have on our own land</p> <p>We have achieved compliance on our H&amp;S regulatory requirements and are working through a backlog of outstanding H&amp;S issues</p> <p>We have approved the development of a scheme for YMCA Wimbledon, have taken that through pre-planning and have agreed the Heads of Terms for a new deal with the developer</p> <p>We have undertaken a capacity study on a potential new office location and are negotiating with the Diocese over potential Head of Terms.</p>

The negotiation and effective implementation of four corporate merger/amalgamation transactions, since 2017, in order to be 'stronger together', is the primary strategic imperative. The due diligence, review of governance, integration, and policymaking that this has required represents a significant investment in the creation of a stable foundation for the newly merged organisation.

The legal work is mostly complete, the governance and control framework have been reviewed, strategies and policies have been developed to support the organisations strategic aims and newly increased scale. Integration continues but much progress has been made. This is an organisation in transition, adapting to its restructure, bringing together ideas and systems and ways of working, focussed on improvement, quality and resilience.



TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

**More than an accommodation provider**

Whilst we are a regulated social housing provider, YMCA SPG is focused on doing much more than just putting a roof over people's heads. The stories below give examples of some the things we have celebrated during the last 12 months.

Our Chaplaincy work is headed up by a (new) Strategic Lead for Chaplaincy who works alongside paid and volunteer local chaplains. These local chaplains include several Hostel Chaplains, many church volunteers and local clergy. They work together with the different staff teams to deliver pastoral support for residents and staff team across YMCA St Paul's Group. Support includes one-to-one support, groups for themed discussion, mental health support groups, regular opportunities for bible study and prayer and community activities e.g. community choirs, day trips and residential retreats to improve an understanding of faith, self-awareness, social skills and life aspiration.

During the year the Chaplaincy team has celebrated

- The transformation in residents' lives through our Life Journey retreats to Nicholaston House on the Gower (see Trey's story below)
- baptizing three residents in the sea this year as they made the decision to commit to their faith.
- Seeing the launch of Faith Space (later changed to Life Space) at YMCA Walthamstow which was the first, intentional, chaplaincy project at the site for a couple of years.
- The refurbishment of one of our Chapel spaces and the total redecoration of a residents' lounge funded by a local church which created a reflective space for all
- The opportunity to create a new quiet room/Chapel space as part of our new YMCA Wimbledon proposals
- The Partnership projects run with local churches which provided Christmas Gift bags to our residents, thereby seeing Christian love in action.

A story from the year that highlights what we are celebrating:

*"Trey had been a resident of our Surbiton YMCA hostel for 8 months after being homeless for 18 months. He had been supported by the Chaplaincy team through times of anxiety and physical panic attacks. He regularly attended the chaplaincy groups and participated in the five-day retreat to Nicholaston. On his return, Trey decided to begin volunteering in a local homeless shelter and has since been able to transfer into one of our 'move on' houses. He still receives some support from the Chaplaincy team in the Hostel but he now helps settling new residents as they join the groups. He is looking to move into his own flat and start a paid role in the near future".*

YMCA St Paul's Group is more than just a supported housing provider. Our vision is on the transformation of young people and communities with housing being a key means to achieve this. In addition to providing over 1,100 units of supported accommodation we also seek to develop services that deliver a financial return, whilst delivering social good. We utilise our financial surpluses to further our charitable objectives and deliver essential services to our vulnerable residents and communities. Our business is categorised into three main functions:

- Accommodation (Social Housing Lettings)
- Health & Well-Being, and
- Children, Youth and Families, which include other charitable/social housing activities, and non-social housing activities.

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

Three examples are set out below:

**Counselling**

YMCA residents present with a higher level of mental health concerns alongside more complex issues. In YMCA Surbiton, between 2014-16, 547 residents had support needs and 118 had mental health needs but support for these residents was limited, slow, and reliant on a range of other agencies. Offering such little or uncoordinated support is not only detrimental to the person concerned but also means that staff are trying to manage more and more complex needs creating operational stretch in terms of resources, costs, and specialist/professional help.

To address this issue YMCA SPG took over (in 2015) a small local counselling charity who brought in professional expertise. They work with community clients as well as providing support to our residents. Using the accredited CORE scale they have achieved 96% success in helping to improve our resident's resilience, self-awareness and life goals.

**Community Choirs**

We operate a 'one front door' policy whereby all members of the community come through the same entrance whether they are residents, gym users or parents accessing family services. Nowhere is this approach more valued than in our community choirs where we host up to 60 people in 3 locations each week to learn to sing and perform together. These people are a mix of YMCA residents, retired local individuals, young parents taking time out from childcare as well as YMCA staff. The choirs are coordinated by a team of West End producers who give their time to support the YMCA community mission. The community choirs prevent the YMCA services becoming ghettoised, rather they are embraced as a centre of community activity. The choirs also help our residents develop their social skills to be able to manage and engage once they leave supported accommodation.

**Get on Track**

Another successful programme is the Get on Track programme that has been run with the Dame Kelly Holmes Foundation in YMCA Hayes. Get on Track is a 10-week programme that helps young people gain skills, experience and build resilience to help them succeed in life. YMCA SPG has run over 20 Get on Track programmes which have been co-funded by corporate sponsors. The participants are a mix of current YMCA residents, referrals from the job centre (who through the programme sometimes then get referred to the YMCA accommodation for ongoing support) as well as local young people referred by schools and other agencies. Working with some of the most challenged young people, the Get on Track programme has an 80% success rate in getting people into education, employment or training.

**Supporting young people in the communities we serve**

Throughout 2018/19 we continued to support over 20,000 people per week through our 6 Health and Wellbeing activities. Our group exercise and community classes continue to grow and attract more people all committed to improving their health and wellbeing. The number of overall visits to Hampton Pool increased last year to 387,987 with over 8,000 swimming lessons taught. We continue to improve our standards through Quality and Performance having achieved the UK Code of Practice we now move on to the even more rigorous QUEST standard. Our Mystery Shopping and Audit results have improved from the previous year showing that our customer service has improved and our teams are consistently delivering high quality services.

## TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

**Case study:**

*Estelle is 47 and suffers from a degenerative spinal condition. She has been living with chronic neck pain for the last seven years. "I was a gymnast when I was younger and had a lot of wear and tear in my spine for my age, and specifically in my neck. I was diagnosed with Cervical Spondylosis in 2011." After trying different experts to try to alleviate the pain Estelle had reached rock bottom. Realising that the NHS could offer her very little help she began her own research into what was on offer locally in Kingston and stumbled across YMCA Hawker's Back Care Pilates class online. "I thought I would try the class as the pain has affected every part of my life. I have a very active job as a teaching assistant in a primary school in Kingston with 7-8 year olds and children with special educational needs. I'm a single mum too, so I need to keep myself as fit and healthy as I can. I had heard a lot about Pilates and I spoke to staff there and decided to try it. It was about four to five weeks into the Back Care Pilates class that I had a lightbulb moment and realised exactly how I should be doing the exercises and how they would benefit me. It's not just a mobility class. It's a whole lesson about the spine, how it works, how important it is for women to switch on the core, and how strengthening the abdominal muscles helps support the spine.*

**Financial review**

On 1 April 2018, there was an amalgamation between YMCA SPG and West London YMCA ("WL YMCA"). These financial statements include full year results for WL YMCA.

The tables below do not include the results for WL YMCA for 2018.

Turnover from our social and other activities for the year ended is shown below:

	2019	2018
	£000	£000
Social housing lettings	14,838	9,349
Other social housing activities	2,772	1,367
Other activities	7,996	7,298
Total	25,606	18,014

**Summary Consolidated Statement of Comprehensive Income:**

	2019	2018
	£000	£000
Turnover	25,606	18,014
Operating cost	(23,556)	(16,910)
Operating surplus	2,050	1,104
Net interest payable	(1,009)	(759)
Surplus after interest	1,041	345
Surplus on business combination	13,137	-
Other recognised gains	27	7
Surplus for the year	14,205	352

The Group achieved a significant improvement in its results compared to the previous year; surplus after interest was £1,041k (2018: £345k). This was mainly due to increased housing income at West London YMCA following a major review of service charges, matched by only a modest increase in related expenditure. As a result of the amalgamation between YMCA SPG and West London YMCA, there was a surplus on business combination of £13m which increases the overall surplus for the year to £14m.

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

The Group's principal sources of income arise from its charitable activities of providing Accommodation, Health and Wellbeing services and Family, Youth and Children's Work.

**Summary Consolidated Balance Sheet:**

	<b>2019</b>	2018
	<b>£000</b>	£000
Tangible fixed assets	<b>56,477</b>	37,526
Net current assets	<b>2,788</b>	3,099
Total assets less current liabilities	<b>59,525</b>	40,625
Long-term liabilities and provisions	<b>(31,601)</b>	(27,165)
Net assets/reserves	<b>27,664</b>	13,460

The value of housing properties we hold as tangible fixed assets (after allowing for additions, disposals and annual depreciation charges) was £53.5m at the 31 March 2019. During the year, we invested £1.3m in our housing properties.

**Consolidated Cash flow:**

	<b>2019</b>	2018
	<b>£000</b>	£000
Net cash generated by operating activities	<b>3,845</b>	1,478
Net cash from investing activities	<b>(1,528)</b>	(5,536)
Net cash used in financing activities	<b>(1,332)</b>	4,859
Net increase in cash and cash equivalents	<b>985</b>	802

At 31 March 2019, we had £3.9m cash and cash equivalents (2018: £2.9m). In the year we:

- Repaid £0.3m loans
- Paid interest of £1m.

**Value for Money (VfM)**

The Board approved an updated Value for Money Strategy in April 2019, following the introduction of the new Value for Money Standard earlier in the year. The strategy outlines YMCA SPG's definition of VfM and identifies the ways in which we will seek to deliver it.

The Board believes the delivery of value for money is key to the delivery of our four main objectives of quality & impact, sustainability, growing & developing and bringing greater influence. Our overall aim is to gradually reduce unit costs through cost control, better use of technology and growth. We intend to achieve an operating margin of 10% by 2021, whilst working to make the business operate more economically, efficiently and effectively through a programme of incremental, sustainable improvements. Our approach is captured in 5 value for money commitments:

1. **Cost Savings and Procurement:** We will scrutinise spending and challenge costs to ensure we achieve greater economy, reduce waste and deliver greater value
2. **Asset Management:** We will seek to maximise return on our current property assets
3. **Customer Service:** We will provide good quality services and increase customer satisfaction without exceeding the Supported Housing provider median for management costs
4. **Growth:** We will maximise the potential of our resources in order to deliver more homes and services

## TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

5. **Business Efficiency:** We will deliver efficiencies across the Group by reducing overheads, streamlining back office processes and systems, making better use of data, automating processing activity and improving cost analysis

We have produced the metrics prescribed by the Regulator and ensured they are consistent with the financial statements as a whole. The section below addresses the metrics and the comparative performance of the Group across these indicators and the Sector Scorecard.

In order to benchmark Group performance, we have established a small peer group with similar geography and housing provision that is predominantly Supported Housing. We have used the median from that peer group to provide a comparison in the table below. We are in the early stages of this work with Housemark and will be doing more detailed analysis in 2019/20 so the Board can better understand comparative cost drivers and see what we can learn from peers. **Note: the peer group figures are based 2017-18 Global Accounts statistics produced by the regulator as 2018-19 statistics are not yet available in Housemark.**

## VfM performance

		2019	2018	Peer median 2017/18
		%	%	%
<b>Business health</b>	- Operating margin	8	6	5.4
	- EBITDA MRI interest cover	244	201	183
<b>Development</b>	- New supply as a % of current units	0	0	0.8
	- Gearing	48	33	27.6
<b>Outcomes</b>	- Reinvestment %	2	3	2.4
<b>Effective Asset Management</b>	- Return on Capital Employed (ROCE)	3	3	1.3
<b>Cost per unit</b>	- Headline social housing cost	£13.4k	£12.3k	£9.6

Registered housing providers are required by the Regulator of Social Housing ('Regulator') to publish their performance against seven indicators, as shown above.

The Board has noted that YMCA SPG's operating margin has significantly improved on the previous year but compares poorly against the sector average (at 30%). The Group's performance, however, compares well against other providers whose main activity is Supported Housing. The Board is aware of the special circumstances surrounding the provision of Supported Housing which make them more costly to operate than general needs/traditional housing. These registered providers are noted to have higher costs and lower operating margins than more traditional housing providers, primarily due to the broader range of services that they provide. The Group's 2018-21 Strategic Plan aims to achieve a gross margin of 10% by the end of the plan.

EBITDA MRI interest cover shows improvement on the previous year and compares well with both our peer group and the sector average. The improvement in interest cover is due to the increase in the surplus from the amalgamation with West London YMCA

YMCA SPG does not currently have a development programme but has developed an asset management and development strategy that entails significant re-investment in existing stock and investment in new supply.

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

The Board-approved VfM action plan for 2019-21 also includes a strategy to improve return on capital employed through improvement in the operating margin.

The Group's headline social housing cost per unit compares poorly with its peer group, predominantly, due to our management costs, which appear to be significantly higher. We will undertake a detailed review of the reasons for this, in the next 12 months.

**Sector Scorecard**

In addition to the metrics prescribed by the Regulator, providers have been encouraged to present metrics that allow stakeholders to assess their performance in relation to their overall strategy. The Board defines VfM in terms of our main business objectives and our self-assessments last year measured and benchmarked our performance against a range of indicators.

Given the merit seen by the Board and strong encouragement from the Regulator for providers to adopt the Scorecard, the Board decided to adopt the Sector Scorecard as the basis of our value for money reporting. The Board believes transparency of cost and performance is an important element in driving organisational improvement and, therefore, welcomes a framework where comparisons can easily be made with other providers.

We will agree targets annually against the Scorecard as part of the usual budget setting process for 2020/21 onwards.

**Business Health**

Business Health	<b>2019</b>	2018	Peer median 2017/18
	<b>%</b>	%	%
Operating margin	<b>8</b>	6	4.7
Operating Margin – SHL	<b>13</b>	11	7.5
EBITDA MRI interest cover	<b>244</b>	201	182.6

The above results show an operating margin that is better than our peer group of Supported Housing providers but which our Board believes needs to improve; we have a strategy for achieving this.

The EBITDA MRI interest result shows that our liquidity and investment capacity has improved over the previous year.

**Development**

Development	<b>2019</b>	2018	Peer median 2017/18
New Supply (number)	<b>0</b>	0	10
New Supply %	<b>0%</b>	0%	0.8%
Gearing	<b>48%</b>	33%	27.6%

There have been no completions of new homes in the last 2 years. The Board has agreed a development strategy, which will lead to developing new homes over the next 3 years.

## TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

**Asset Management**

Asset Management	2019	2018	Peer median 2017/18
ROCE	3%	2%	1.3%
Occupancy	96.7%	95.5%	99.4%
Ratio of responsive to planned maintenance	620%	320%	160%

ROCE is better than last year and our peer group. However, the ratio of responsive to planned maintenance expenditure is substantially poorer. This is being investigated. The Board has recently approved an asset management strategy that aims to improve these metrics.

Occupancy has improved over the previous year.

**Outcomes**

Outcomes	2019	2018	Peer median 2017/18
	%	%	%
Customer satisfaction overall	90	89	87.5
Reinvestment	2	3	2.4

Our customer satisfaction score is higher than last year and our peer group. We aim to achieve continuous improvement in the metric over the next 12 months.

The latest annual survey of residents living in our properties had a very good participation rate, of 574 residents from across the group which is over 50% of our residents. From those 574 residents over 90% were said to be satisfied and very satisfied with the service provided by the YMCA St Paul's Group. As a result of the survey, a letter "you said we did" was sent out to residents in each area. The next resident satisfaction survey is scheduled for September 2019. We have joined a peer group and will be able to compare our results going forward.

The Group's investment in existing stock is less than the previous year but the same as the level achieved by our peer group

**Operating efficiency**

Cost per unit	2019	2018	Peer median 2017/18
	£000	£000	£000
Headline social housing	13.4	12.3	9.64
Management	9.2	7.6	3.90
Maintenance	0.6	0.2	0.60
Major repairs	0.7	0.5	1.09
Service charge	2.7	3.6	3.24
Other social housing costs	0.3	0.3	3.76
Rent collected	104.7%	98%	99.90%
Overheads as a % of adjusted turnover	15.8%	17.5%	12.03%

The above results show that we performed well against our peer group across all areas apart from management costs. We are investigating why our management costs appear to be significantly higher.

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019****Capital Structure and Treasury Policy**

Borrowings at the year-end were:

	2019	2018
Loan facilities available	£38m	£32.0m
Loan drawings	£25m	£20.5m
Undrawn facilities	£13m	£11.5m

The debt is sourced from a number of UK banks.

All drawn and undrawn loans are secured against social housing assets. Together with our available cash balance these funds are sufficient to meet our funding commitments.

YMCA SPG has a treasury management policy, which was approved by the Board in August 2018. The Treasury policy seeks to address funding and liquidity risk and covenant compliance.

Our approach to treasury risk management is outlined in Section C below.

**Our Strategic focus in 2019/20**

The Board's key target is now on putting in place a financially resilient business and improving value for money, primarily by:

- delivering a 8% annual operating margin
- consistent models of work across all our departments and areas
- starting the process of delivering 200 new units of accommodation including the redevelopment of YMCA Wimbledon
- being in regular contact with key decision makers

YMCA SPG are committed to the current areas of strategic focus. There is no further planned merger activity whilst the organisation stabilises and realises recent merger benefits. In the immediate term, the re-development of the Wimbledon site is a significant and exceptional project. YMCA SPG has worked diligently to devise a development plan which limits its financial and operational exposure; this plan has been informed by the recruitment of specialist resources and detailed valuation, legal and tax advice.

**Provision of information to Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, no relevant audit information has been withheld from the statutory auditor; and
- the director has taken all the steps that he/she could reasonably be expected to have taken as a director in order to make himself/herself aware of any relevant audit information and has established that this information has not been withheld from the auditor. This confirmation is given and should be interpreted in accordance with the provisions of s234A of the Companies Act 2006.

**Compliance with the Regulator's Governance and Viability Standard**

YMCA SPG has, as a registered provider, undertaken an assessment of compliance as required under the above standard annually. This report has been prepared in accordance



**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

with applicable standards and legislation. The Board confirms that the Group has complied with the Regulator of Social Housing's Governance and Financial Viability Standard.

**Group as a going concern**

The Group's Board is required to give an opinion as to whether there is a reasonable expectation that adequate resources exist for the Group to continue in operational existence for the foreseeable future. The Trustees have considered cash-flows and forecasts, as well as available reserves, and are content that the Group is able to maintain and develop its services.

**C. RISK MANAGEMENT STRATEGY****Risk Strategy**

The Group regularly considers risk and has developed a detailed risk strategy that takes in to account strategic, operational and project risks.

The Group uses a dynamic, cloud-based, risk management system that allows the monitoring of strategic risks as well as subsequent controls and actions. The Risk Management Strategy was updated in July 2019. The Board also regularly considers its key risks as well as any changes to the Group's risk profile. The Audit & Risk Committee (ARC) is tasked with reviewing the assurances that demonstrate risks are being managed. This is supported by independent internal auditors who report directly to the ARC.

In relation to Health and Safety and Fire Risk, the Group employs an external auditor who undertakes an independent inspection of all the Group's property assets. This audit includes a review of all hazards as well as checking that all property related legal compliances have been adhered to and evidenced. The report from this external auditor is reported to the BDA. The Group employs a full-time Head of Health & Safety to oversee compliance and manage associated risks.

Operational risk assessments are developed by the departmental staff and managed by operational managers. Assurance is provided by both internal audit and performance and quality officers. Incidents, accidents and complaints are regularly reviewed with lessons learnt used to inform future risk assessments and policy and procedure development.

All Board reports include a consideration of risk and any new project or major development has its own risk register and is presented as part of the governance process.

**Key Strategic Risks**

The key strategic risks as presented to the Board in September 2019 are:

<b>Risk</b>	<b>Mitigation</b>
Breach of Health & Safety standards	<p>We have appointed a Head of Health &amp; Safety to ensure that our assessments and processes are thorough and remain in step with best practice and have updated our Health and Safety policy accordingly.</p> <p>Key aspects of landlord health and safety are audited by internal auditors as part of compliance checks. Fire safety, gas safety, water hygiene and asbestos are subject to in-depth audits. We report compliance performance to the board and the Development and Asset Management</p>

TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

	<p>Committee quarterly and Executive Team and service managers receive a weekly update report.</p> <p>Operational risk assessments have been carried out for key areas of risk within the Group.</p>
IT Systems/Security failure	<p>An IT Strategy has been approved by the Board that involves significant investment in IT security. We have also updated privacy notices and trained all staff on the new General Data Protection Regulations. In terms of system security, there is a well thought out security architecture, well developed framework of management controls and independent penetration testing. The Board receives regular reports on IT security.</p>
Operational stretch	<p>A People Strategy is in place which specifically addresses operational stretch through a new performance management arrangement as well as a focus on staff wellbeing.</p> <p>A review of the management structure has been undertaken to increase capacity at the management level. Future reviews of operational teams will take place to ensure staffing levels are adequate and fit for purpose.</p>
Wimbledon Development risk	<p>The business case for the development approved by the Board and is fully funded in the Group's business plan. The Group has assembled the appropriate professional team to deliver the project, re planning consultants, Architects etc. A Senior Development Manager will oversee the scheme.</p>
Financial viability risk	<p>The Board has approved a fully funded long-term financial plan. Our financial performance and position is closely monitored by the Executive Team and is reported to the Board regularly. Whilst the external factors that could lead to financial shock cannot be controlled or prevented by the Group, the Business/financial Plan is subjected to multivariate stress testing and we ensure that there is adequate headroom to withstand such events in the short term.</p>
Care & Support risk	<p>A safeguarding policy and procedure is in place along with a Board designated Safeguarding lead. Safeguarding training / workshop was provided to the Board in May 2018 so that they can understand their obligations.</p> <p>Safeguarding leads exist across the Group and posters are displayed which identify a chain of command</p>
Governance risk	<p>The Group has undertaken a full self-assessment against the NHF Code of Governance and against the RSH's regulatory standards and reported these to the Board and ARC.</p> <p>There has been an independent review of Board effectiveness and the related action plan has been implemented. The Board manages risk effectively, ensuring they minimise any impact to our residents and employees and avoiding non-compliance with the law or regulation. They are adequately equipped to respond to changes in the operating environment.</p>

## TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

	There is comprehensive internal audit coverage including quarterly compliance reviews.
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**Treasury Risk Management**

The Group's operations expose it to some financial risks. Management continuously monitors these risks with a view to protecting the Group against the potential adverse effects of these financial risks.

*Financial Instruments*

The Group's basic financial instruments comprise cash at bank and in hand, debtors, loans and creditors that arise directly from its operations. There are surplus funds to fund future operating costs.

*Credit Risk*

It is the Group's policy to assess its trade receivables for recoverability on an individual basis and to make provisions where considered necessary. In assessing recoverability, management takes into account any indicators of impairment up until the reporting date. The trade debtors were not impaired; hence, no impairment losses have been recognised.

Holding funds with a commercial bank exposes the Group to counter-party credit risk. The amounts held at the year-end are with a bank with solid investment grade credit rating.

*Interest rate risk*

Loans held by the Group are basic financial instruments which are held at market value. This minimises the interest rate risk.

*Liquidity risk*

The Group maintains sufficient levels of cash and cash equivalents and manages its working capital by carefully reviewing forecasts on a regular basis to determine the requirements for its day-to-day operations.

**D. STRUCTURE, GOVERNANCE AND MANAGEMENT****Status**

The Association is a company limited by guarantee and incorporated in England & Wales (number: 2971930), a registered provider (number: LH4078) and a registered charity (number: 1041923). It is governed by a Board of Directors, whose members also function as the Trustees of the Charity. During the year ended 31 March 2019, the Board met on 6 occasions and the Annual General Meeting was held at the Methodist Central Hall, Westminster on 26<sup>th</sup> November 2018.

**The Group's Board**

The Board is comprised of committed members who meet regularly in the evenings as well as attending residential and away days during the financial year. The Board looks for members who are representative of the work in each area carried out by the Group. Board members are expected to serve on the main Board as well as on one of its sub-committees. The Board has adopted and complies with the National Housing Federation's Code of Governance 2015, which ensures that the Group is operating at high standards of compliance and probity.

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

**Audit Risk and Compliance Committee ('ARC')**

The ARC is a sub-committee of the main Board. It met 5 times in the financial year and reports after each meeting to the main Board.

The ARC is tasked with checking compliance, risk, financial performance, regulatory reports and safeguarding as well as reviewing incidents and complaints. It oversees the external and internal audit/controls and advises the Board on the effectiveness of risk measures. It is responsible for advising the Board on the Group's compliance with the Regulator's Economic and Consumer Standards.

**Board Development and Assets Committee ('BDA')**

The BDA is a sub-committee of the main Board. It met 5 times in the financial year and reports after each meeting to the main board.

The Committee has an advisory and a limited approval capacity role, supporting management and making recommendations to the Board on matters relating to building assets. In its advisory capacity, it does not have delegated powers but may make proposals to Board and Executive Team.

**Performance Committee**

The Performance Committee is a sub-committee of the main Board, with specific delegated advisory responsibilities relating to all operations within a specific functional area. The Committee had their first meeting in the 19/20 financial year.

The purpose of the Performance Committee is to oversee, on behalf of the Board, a forward-looking programme of consistent service design in respect of YMCA SPG's key strategic services to ensure that the Group's services to customers and our engagement with stakeholders and partners enable YMCA SPG to achieve its strategic vision, objectives and goals and deliver improved customer outcomes.

**Executive Team**

The Board delegates day-to-day responsibility for the running of the Group to the Chief Executive Officer ("CEO"). During the Financial Year the CEO was supported by an Executive Team (ET) comprising a Group Finance Director, a Director of People & Services, a Director of Property and Places and two Regional Directors.

The ET currently meets fortnightly and is responsible for the operations and performance of the Group. All members of the ET are invited to attend all Board meetings and each ET member has a Board 'buddy'; a trustee with a portfolio that matches their own area of responsibility.

**Governing Documents**

As a Board, we are governed by our constitutional documents (Memorandum and Articles of Group). These are available for inspection on application in writing to the Company Secretary.

YMCA SPG is committed to sound corporate governance and has adopted the latest (2015) version of the National Housing Federation Code of Governance and Code of Conduct 2012. The Board reviews compliance with the codes annually. The Board confirms the Group is compliant with both the NHF Code of Governance and Code of Conduct.

## TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

**Public Benefit**

As Trustees, we confirm that we have complied with Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

**Fundraising**

Charity law requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. Such amounts receivable are presented in these accounts in other operating income.

**Political Donations**

We do not make political donations.

**Donations and Gifts**

The following people and organisations have supported our work over the past year.

Who	What for
Hampton Fuel Allotment Charity	Grants to support the development of the work at the YMCA White House and the Hampton Youth Project
Wimbledon Foundation and	Support for the running of the Merton Winter Night Shelter as well as donations of tents and sleeping bags
London Borough of Merton	Support for the running of the Merton Winter Night Shelter
Hillingdon Community Trust	Grant to support free Football on Thursdays at Botwell Leisure Centre, Hayes for ages 12-19
Stockley Park	Grant to support free Football on Thursdays at Botwell Leisure Centre, Hayes for ages 5-11
London Sport	Grant to support new project: Free Football on Friday's at Rectory Park Northolt for 14-19s
Hillingdon Borough Council	Grants for the pitch hire at Botwell Leisure Centre and also for preventative general drop-in youth work sessions on Wednesdays at Ventura House, Hayes
MOPAC	Grant to support general drop-in youth sessions with preventative work on Wednesdays at Ventura House, Hayes
Jack Petchey	Grants for under 16s to attend days out and purchase equipment for the youth department
Jack Petchey Foundation	Grants to young people, including, residents in recognition of their achievements by their peers
Sport England	Grant to support new project Free Football on Friday's at Rectory Park Northolt for 16-25s
Wifinity	Free Wifi installation and internet for life, for residents in our YMCA Surbiton hostel
Nicholaston House Swansea	Partnership in the delivery of our Chaplaincy, Life Journey project supporting residents from YMCA Surbiton and YMCA Wimbledon

## YMCA ST. PAUL'S GROUP

### TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019

Mayor of London	Grant to support YMCA Release counselling in providing counselling and mental health support to residents at YMCA Surbiton.
Local Churches partnership	We were supported with donations from many local individuals and churches at Christmas time, with gifts for our residents.
YMCA Metropolitan Fund	Grant to support the YMCA engagement with the Greenbelt Arts Festival
Rev Richard Thomas, Hillside Church	For support with Communion Services at YMCA Wimbledon, leading sessions on 'Struggling With Mental Health' and the use of the Hillside Church building for Chaplaincy training.
Fairshare, Tesco, Pret a Manger, Marks and Spencer, Sainsbury's, KFC and Aldi	For donations of food for our hostel residents
City Harvest	For a weekly, delivered supply of donated food for our residents
Buzzacoat	Sponsorship of spaces at our After-school clubs in East for vulnerable young people

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

**Statement of Trustees' responsibilities**

As Trustees, we are responsible for preparing the Annual Report, including the Strategic Report, and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company, Charity and Registered Provider law requires us to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the surplus or deficit of the Group for that period. In preparing these statements, we are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates which are reasonable and prudent
- state whether applicable financial reporting 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 Group will be able to continue to meet its objectives

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable us to ensure that the financial statements comply with the Companies Act 2006, the Housing & Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2015. We are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Statement of internal controls**

The YMCA St Paul's Group's (YMCA SPG's) Board has overall responsibility for establishing and maintaining the Group's system of internal control and for reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance against financial misstatement or loss or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group's assets and interests.

The Chief Executive/Group Finance Director presents a detailed report to the Audit and Risk Committee and Board each year on Internal Controls Assurance. As a result of the consideration of this report which incorporates evidence of assurance outlined in the section below, the Board is prepared to make this statement.

The Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group and a robust and prudent business planning, risk and control framework is in place. This approach has operated throughout the year under review up to and including the date of approval of the annual report and financial statements.

Some of the key elements of the control process that the Board has established for YMCA SPG are as follows:

- The incorporation of key risks into a risk map with the Board considering significant risks as part of the decision-making process.
- The adoption of a business plan with a financial plan and the modelling and evaluation of long-term financial scenarios.
- The review and approval of detailed Standing Orders and Financial Regulations and documentation of policies and procedures for all key operational areas.
- The operation of an outsourced internal audit function, reporting directly to the Audit and Risk Committee, which follows a needs and risk based plan. The Audit and Risk Committee monitor the implementation of recommendations.

**TRUSTEE'S REPORT (INCORPORATING STRATEGIC REPORT) FOR YEAR ENDED 31 MARCH 2019**

- The formal appraisal by the Board of new business opportunities including significant new schemes and a delegated framework for investment decisions.
- The operation of a comprehensive budgeting system and the regular review of financial and operational performance, including key indicators.

The Group has in place an Anti-Fraud and Corruption Policy and Procedure, which is aimed at tackling fraud, corruption, theft and breaches of regulations.

There are whistleblowing and disciplinary policies and procedures in place for the Group which link in to the Anti-Fraud and Corruption Policy. There is a Fraud Response Plan which is aimed at ensuring the Group responds promptly to fraud or fraud allegations and is able to recover its assets where relevant.

There is a Fraud & Bribery Register, which is reviewed at each Audit and Risk Committee meeting.

The Board confirms that there have been no regulatory concerns which have led the Regulator of Social Housing to intervene in the affairs of the Group, neither are there significant problems in relation to failures of internal controls which require disclosure in the financial statements.

The Board has reviewed the Group's compliance with the RSH's Governance and Financial Viability Standard and are satisfied the Group meets the requirements.

**AUDITORS AND AGM**

At the date of this report each Board member confirms the following:

- so far as each Board member is aware, there is no relevant information needed by the Group's auditors in connection with preparing their report of which the Group's auditors are unaware;
- each Board member has taken all of the steps that they ought to have taken as a Board member in order to make themselves aware of any information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

BDO LLP has indicated its willingness to continue in office. A resolution to re-appoint BDO LLP, as external auditors of the Group will be proposed at the forthcoming Annual General Meeting.

The Trustees' Report, including the Strategic Report, was approved by the Board on 19 September 2019.



By order of the Board

Duncan Ingram

**Vice Chair**

Date: 19 September 2019



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA ST PAUL'S GROUP

**Opinion**

We have audited the financial statements of YMCA St Paul's Group ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association balance sheets, the consolidated and Association statement of changes in reserves, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Group's and of the Association's affairs as at 31 March 2019 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The board are responsible for the other information. 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 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 including the Trustees' Report (incorporating the strategic report) 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,

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA ST PAUL'S GROUP**

we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Trustee's have 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 Group and the Parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Trustee's 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 by the parent association, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent association financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board member and or directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the board**

As explained more fully in the board members responsibilities statement set out on page 21, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA ST PAUL'S GROUP

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](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the members of the Association, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Cliftlands (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, West Sussex

Date 30 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CONSOLIDATED AND GROUP STATEMENTS OF COMPREHENSIVE INCOME****For the year ended 31 March**

	Notes	Group Year Ended 2019 £	Group Year Ended 2018 £	<b>YSPG Year Ended 2019 £</b>	YSPG Year Ended 2018 £
<b>Income</b>					
Letting activity		18,071,782	10,829,743	<b>11,678,503</b>	10,829,743
Health & Wellbeing and Children's and Youth Work		5,455,519	5,349,265	<b>5,455,519</b>	5,349,265
Grants and other donations		445,486	477,768	<b>445,486</b>	477,768
Office rent and hire of space		580,384	586,083	<b>580,384</b>	586,083
Amortisation of Housing Capital grants		294,386	561,969	<b>294,386</b>	561,969
Other income		758,773	208,938	<b>92,295</b>	208,938
	2a,2b,3	<u>25,606,330</u>	<u>18,013,766</u>	<b><u>18,546,573</u></b>	<u>18,013,766</u>
<b>Expenditure</b>					
Letting activities	2	17,511,963	10,374,479	<b>11,214,749</b>	10,374,479
Health & Wellbeing and Children's & Youth Work	4	5,646,162	6,210,827	<b>5,646,162</b>	6,210,827
Expenditure on office renting		397,445	324,520	<b>397,445</b>	324,520
	2a,2b	<u>23,555,570</u>	<u>16,909,826</u>	<b><u>17,258,356</u></b>	<u>16,909,826</u>
<b>Operating Surplus/(Deficit)</b>		2,050,760	1,103,940	<b>1,288,217</b>	1,103,940
<b>Interest and similar items</b>					
Interest receivable	8	35,237	28,878	<b>31,221</b>	28,878
Interest payable and similar	9	(1,044,659)	(787,411)	<b>(817,180)</b>	(787,411)
<b>Net income after interest</b>		<u>1,041,338</u>	<u>345,407</u>	<b><u>502,257</u></b>	<u>345,407</u>
<b>Other recognised gains/losses</b>					
Profit/Loss on disposal of fixed assets		-	4,300	-	4,300
Gain on Business combination	25	13,136,565	-	-	-
Gain on investments	14	27,031	2,480	<b>27,031</b>	2,480
<b>Surplus/(Deficit) for the year</b>	10	<u><b>14,204,934</b></u>	<u><b>352,187</b></u>	<u><b>529,288</b></u>	<u>352,187</u>

The notes on pages 31 to 47 form part of the financial statements.

All amounts derive from continuing activities

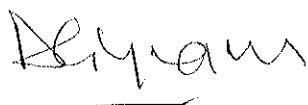
## CONSOLIDATED AND GROUP BALANCE SHEETS

Registered Company Number: 2971930

At 31 March

	Notes	Group 2019 £	Group 2018 £	YSPG 2019 £	YSPG 2018 £
<b>FIXED ASSETS</b>					
Tangible Assets	11	56,477,404	37,526,356	37,331,938	37,526,356
<b>CURRENT ASSETS</b>					
Stocks		128,338	121,364	118,478	121,364
Debtors	13	2,330,356	2,178,122	3,324,494	2,178,122
Investments	14	826,235	725,950	826,232	725,947
Cash in bank and in hand		3,929,677	2,766,466	2,171,121	2,776,466
		<b>7,214,606</b>	5,801,899	<b>6,440,325</b>	5,801,899
<b>CREDITORS</b>					
Amount falling due within one year	15	(4,426,441)	(2,703,380)	(3,060,573)	(2,703,380)
<b>NET CURRENT ASSETS</b>		<b>2,788,165</b>	3,098,519	<b>3,379,752</b>	3,098,519
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>59,265,569</b>	40,624,875	<b>40,711,690</b>	40,624,875
<b>CREDITORS</b>					
Amount falling due after more than one year	16	(31,600,891)	(27,165,130)	(26,722,658)	(27,165,130)
<b>NET ASSETS</b>		<b>27,664,678</b>	13,459,745	<b>13,989,032</b>	13,459,745
<b>FUNDS AND RESERVES</b>					
<b>Restricted: Housing</b>					
Social housing reserves		21,396,062	7,142,156	7,804,925	7,142,156
<b>Restricted: Charitable</b>					
Pool Improvement fund		412,447	332,181	412,447	332,181
Other		62,010			
<b>Unrestricted</b>					
Charitable Funds		5,771,660	5,985,408	5,771,660	5,985,408
Other		22,499			
		<b>27,664,678</b>	13,459,745	<b>13,989,032</b>	13,459,745

The financial statements were approved by the Board and authorised for issue on 19 September 2019.



**Duncan Ingram**  
Vice Chair



**Heather Renton**  
Company Secretary

The notes on pages 31 to 47 form part of the financial statements.

## CHANGES IN RESERVES

## Consolidated statement of changes in reserves for year ended 31 March 2019

	Social Housing £	Restricted Pool Improvements £	Other £	Unrestricted Charitable £	Total £
As 1 April 2018	<b>7,142,156</b>	<b>332,181</b>		<b>5,985,408</b>	<b>13,459,745</b>
Surplus/(Deficit) for the year	662,769	80,266	-	325,333	1,068,368
Surplus on Business combination	13,136,565	-	-	-	13,136,565
<b>As at 31 March 2019</b>	<b>20,941,490</b>	<b>412,447</b>		<b>6,310,741</b>	<b>27,664,678</b>

## Consolidated statement of changes in reserves for year ended 31 March 2018

	Social Housing £	Restricted Pool Improvements £	Other £	Unrestricted Charitable £	Total £
As 1 April 2017	<b>6,256,157</b>	<b>254,555</b>	-	<b>6,071,163</b>	<b>12,581,875</b>
Adjustments	288,223	14,075	-	223,385	525,683
Surplus/(Deficit) for the year	597,776	63,551	-	(309,140)	352,187
<b>As at 31 March 2018</b>	<b>7,142,156</b>	<b>332,181</b>	-	<b>5,985,408</b>	<b>13,459,745</b>

## Association statement of changes in reserves for year ended 31 March 2019

	Social Housing £	Restricted Pool Improvements £	Unrestricted Charitable £	Total £
As 1 April 2018	<b>7,142,156</b>	<b>332,181</b>	<b>5,985,408</b>	<b>13,459,745</b>
Surplus/(Deficit) for the year	662,769	80,266	(213,748)	529,287
<b>As at 31 March 2019</b>	<b>7,804,925</b>	<b>412,447</b>	<b>5,771,660</b>	<b>13,989,032</b>

## Association statement of changes in reserves for year ended 31 March 2018

	Social Housing £	Restricted Pool Improvements £	Unrestricted Charitable £	Total £
As 1 April 2017	<b>6,256,157</b>	<b>254,555</b>	<b>6,071,163</b>	<b>12,581,875</b>
Adjustments	288,223	14,075	223,385	525,683
Surplus/(Deficit) for the year	597,776	63,551	(309,140)	352,187
<b>As at 31 March 2018</b>	<b>7,142,156</b>	<b>332,181</b>	<b>5,985,408</b>	<b>13,459,745</b>

Pool improvements restricted fund is a share of the surplus on the operations at Hampton Pool that is set aside each year to provide funds for capital works at Hampton Pool. Control of the fund is shared equally between the Board of the Group and Hampton Pool Trust. The restricted Housing Reserves represent the accumulated surpluses for housing activities.

The notes on pages 31 to 47 form part of the financial statements.

**GROUP CASHFLOW STATEMENT FOR YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Surplus for the financial year		14,204,934	352,187
Depreciation charges		1,804,549	1,429,144
Write down of development costs		150,311	-
Capital grants amortisation		(276,886)	(561,969)
Net fair value gains recognised in deficit		(27,031)	(2,480)
Interest payable and finance costs		1,044,659	787,411
Interest received		(35,237)	(28,878)
Gain on Business combination		(13,136,565)	-
(Profit)/Loss on disposal of assets		-	(4,300)
(Increase)/Decrease in stock		1,421	(19,794)
Decrease/(Increase) in debtors		356,836	(424,416)
(Decrease)/Increase in creditors and provisions		(242,242)	(48,425)
<b>Net cash generated by operating activities</b>		<b>3,844,749</b>	<b>1,478,480</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(1,489,407)	(5,869,332)
Purchase of investments		(779,410)	(26,003)
Proceeds of disposal of investments		706,155	17,755
Interest received		35,237	28,878
Transfer of charitable undertakings		-	312,820
<b>Net cash from investing activities</b>		<b>(1,527,425)</b>	<b>(5,535,882)</b>
<b>Cash flows from financing activities</b>			
Interest paid on bank overdrafts and loans		(1,048,644)	(786,071)
Capital element of lease repaid		(11,749)	(35,089)
Interest element of lease repaid		(134)	(1,340)
Loans repaid		(271,168)	(12,679,481)
Loan added		-	18,315,529
Capital Grant		-	45,462
<b>Net cash used in financing activities</b>		<b>(1,331,695)</b>	<b>4,859,010</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>985,629</b>	<b>801,608</b>
Cash and cash equivalents at the beginning of the year		2,776,466	1,761,995
Cash and cash equivalents acquired through the transfer of charitable undertakings		167,582	212,863
<b>Cash and cash equivalents at the end of the year</b>		<b>3,929,677</b>	<b>2,776,466</b>

The notes on pages 31 to 47 form part of the financial statements.

**Legal Status**

YMCA St. Paul's Group is a company limited by guarantee (company number 2971930), a registered charity (number 1041923) and is registered with the Regulator of Social Housing as a social housing provider (number 1H4078)

**Notes to the financial statements for the year ended 31 March 2019 (continued)**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for YMCA St. Paul's group includes FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2014, "Accounting by registered social housing providers" 2014, the Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Companies Act 2006.

*Parent company disclosure exemptions*

In preparing the consolidated financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company.
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

**a) Basis of consolidation**

The consolidated financial statements present the results of YMCA St. Paul's Group registered provider of social housing and its subsidiary "the group" as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

With effect from 1 April 2018, YMCA St Paul's Group became the sole corporate member of West London YMCA. A single Board was appointed to take responsibility for governance of both organisations and the financial statements for 2019 have been prepared under acquisition accounting rules.

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of current asset investments. The results reflect the adoption of the "Statement of Recommended Practice: accounting by registered social housing providers: Update 2014", and reflect the adoption of component accounting on social housing properties.

**Business combinations that are gifts**

Where there is a business combination that is in substance a gift, any excess of fair value over the assets received over the fair value of the liabilities assumed is recognised as a gain in the income and expenditure account. This gain represents the gift of the value of one entity to another and is recognised as income.

Where the fair value of the liabilities exceeds the fair value of the assets, the loss represents net obligations assumed and is recognised as an expense.

**b) Format of Accounts**

The Directors have considered the format of the financial statements in the light of Section 474 (2) of the Companies Act 2006 and have adapted the arrangements, headings and sub headings otherwise required by the schedule where in their opinion the special nature of the Group's activities requires such adaptation.

**c) Income**

Income is measured at the fair value of the consideration received or receivable. Income represents rental income receivable, including for the provision of care services and supporting people services during the year, income from the sale of goods and services, income from membership fees and revenue grants from local authorities and government departments.



## Notes to the financial statements for the year ended 31 March 2019 (continued)

**d) Membership Subscriptions and Programme Activities**

Income is recognised in the period to which it relates.

**e) Grant Income**

Revenue income is recognised in the period to which it relates. Grants for capital projects are recognised as received and carried forward as restricted funds.

**f) Donations**

Donations are accounted for when received.

**g) Social Housing Grant**

Where property developments, have been financed wholly or partly by Social Housing Grant, the cost of those developments is no longer reduced by the amount of grant received. Under FRS 102 requirements the grant is treated as a long term liability to be released into income over the average expected life span of the development to which it relates, as calculated under component accounting. See note k.

**h) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**i) Expenditure**

Where possible overheads are allocated specifically to social housing, care or charitable services; other overheads are apportioned between activities on the bases of staff time, turnover, or floor area as appropriate.

**j) Housing properties**

Under FRS 102 Housing property is stated at cost. The cost of housing property includes the cost of acquiring property, improvements, replacements and major repairs.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Social Housing Grant used to finance buildings is repayable under certain circumstances, primarily following the sale of such property. The amount which would be repayable is the amount by which any sale proceeds exceed all other liabilities arising from the release of any loan charges on the property.

**k) Depreciation****Fixed Assets**

Other than social housing assets, depreciation on other assets is charged so as to allocate the cost, less estimated residual value of each asset over its anticipated useful life using the straight-line method, as follows:

Short leasehold buildings	-	over term of the lease
Motor vehicles	-	5 years
IT equipment	-	3 – 4 years
Furniture and equipment	-	3 – 5 years
Fixtures and fittings	-	3 - 100 years

**Notes to the financial statements for the year ended 31 March 2019 (continued)****k) Depreciation (continued)**

Social housing assets, whether freehold or long leasehold, are split, for the purposes of depreciation, between land and structure (major fabric) and a specific set of major components which require replacement and renewal more frequently than the major fabric. Each of these is depreciated according to its useful economic life. The major components and useful economic lives range as follows:

<b>Component</b>		<b>Useful economic life</b>
Building structure (hostel buildings)	-	50 years
Building structure (other houses)	-	100 years
Freehold structure	-	10 – 100 years
Freehold external works	-	30 years
Freehold engineering	-	5 – 100 years
Leasehold structure	-	70 – 100 years
Leasehold external works	-	30 years
Leasehold engineering	-	15 – 40 years
Electrical and mechanical	-	20 years

**l) Housing Capital Grants**

Grant received is accounted for using the accrual model. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. Where grant is restricted to a specified future expiry date the grant is amortised in equal instalments, so as to fully amortise it by the expiry date. Grant for mixed asset types is amortised using the weighted average depreciation rate of 3.33%. This is based on the rates used in component accounting.

**m) Development Assets**

These properties are YMCA Wimbledon, Tower Lodge and Olympic House. The head lease on Olympic House was bought on 29 June 2011 and merged with our freehold interest. The property was bought purely for land value and is not being depreciated. Additions to development properties are accounted for in line with FRS 102. It is anticipated that the existing building will be demolished. None of these assets have been dealt with under component accounting.

**n) Interest Payable**

The interest charged on loans that have been used for the purchase of Development Assets is capitalised to form part of the cost of the assets. Where a development project is deemed to be relatively inactive, capitalisation of interest is ceased until the development becomes fully active again.

**o) Operating Leases**

Rents payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

**p) Investments**

The Charities SORP provides that investments should be shown as fixed assets at their market value. YMCA St. Paul's Group has always regarded its investments as a source of working capital, interchangeable with cash as required, and therefore treated as a current asset. As such they would, under normal accounting treatment, be stated at the lower of cost or net realisable value. In light of the Charities SORP and the use to which the investments are put, the Board consider that their inclusion as current assets at market value gives a true and fair view of the financial position of the Group. Any gain or loss is charged or credited to the Statement of Comprehensive Income.

**Notes to the financial statements for the year ended 31 March 2019 (continued)****q) Leased assets**

Fixed assets acquired under finance leasing contracts are recorded on the balance sheet as tangible fixed assets at their equivalent capital value and are depreciated over the useful lives of the assets. The corresponding liability is recorded as a creditor and the interest element of the finance charge is charged to the Statement of Comprehensive income over the period of the lease.

**r) Pension Scheme**

YMCA St. Paul's Group 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 YMCA St. Paul's Group.

As described in note 20, YMCA St. Paul's Group has a contractual obligation to make pension deficit payments to the plan. During the year ended 31 March 2019 deficit contributions totalling £178,158 were made to the plan. In accordance with the actuarial valuation the deficit payments increase by 3% each year. The present value of these payments is shown as a balance sheet liability in note 19 to these accounts. In addition, YMCA St. Paul's Group is required to contribute to the operating expenses of the pension plan. As at 31 March 2019 these costs were £30,368 (2018: £29,483) annually and are charged to the Statement of Comprehensive Income as made. The operating expenses contribution is also subject to the annual 3% increase.

**s) Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on existing use value for social housing or depreciated replacement cost. The Board have also considered impairment based on their assumptions to define cash or asset generating units.
- Whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risk and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

**Other key sources of estimation uncertainty****Tangible fixed assets**

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the condition of the asset and its future income generating potential are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset, technological advances and projected disposal values.

The residual values, useful lives and depreciation methods for assets are adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

- For housing property, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

**Rental and other trade receivables (debtors)**

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

## Notes to the financial statements for the year ended 31 March 2019 (continued)

## Other areas of estimation uncertainty include:

- Project or scheme costs which are capitalised on the basis that the scheme will be completed and the costs for each unit upon completion is apportioned on square footage or area of each unit. Should a project or scheme become non-feasible the costs will be written off to the Statement of Comprehensive Income as abortive costs.
- Revenue recognition around particular contracts: income is generated from a range of sources, in particular, from rent and service charges to local authorities under a wide variety of contract types, durations and service specifications. Judgement is applied as to income recognition and recoverability on a source by source and / or contract by contract basis.

## 2. INCOME &amp; EXPENDITURE FROM HOUSING ACTIVITIES

## 2a LETTINGS AND SUPPORTING PEOPLE CHARGES (YSPG)

	General Needs Housing	Supported housing and housing for older people	Housing Activities Total 2019	Housing Activities Total 2018
	£	£	£	£
<b>INCOME</b>				
Rent receivable net of identifiable service charges	433,834	4,647,254	<b>5,081,088</b>	6,708,469
Service income	405,951	4,583,456	<b>4,989,407</b>	2,640,855
<b>Net rents receivable income</b>	<b>839,785</b>	<b>9,230,710</b>	<b>10,070,495</b>	<b>9,349,324</b>
Supporting people income	-	848,856	<b>848,856</b>	753,916
<b>Lettings activities</b>	<b>839,785</b>	<b>10,079,566</b>	<b>10,919,352</b>	<b>10,103,240</b>
Amortisation of government grant	-	294,386	<b>294,386</b>	561,969
Other income	45	3,383	<b>3,428</b>	50,867
<b>Turnover from lettings and supporting people charges</b>	<b>839,830</b>	<b>10,377,335</b>	<b>11,217,165</b>	<b>10,716,076</b>
<b>EXPENDITURE</b>				
Services	21,281	2,576,569	<b>2,597,850</b>	2,601,824
Management	165,585	5,861,335	<b>6,026,920</b>	5,465,123
Routine Maintenance	15,941	182,518	<b>198,459</b>	133,884
Planned Maintenance	15,145	58,123	<b>73,268</b>	42,082
Bad Debts	17,188	232,698	<b>249,886</b>	224,748
Depreciation of Housing Properties	206,295	612,381	<b>818,676</b>	1,095,146
<b>Operating costs on social housing lettings</b>	<b>441,435</b>	<b>9,523,624</b>	<b>9,965,059</b>	<b>9,562,807</b>
<b>Operating surplus (deficit) on social housing</b>	<b>398,395</b>	<b>853,711</b>	<b>1,252,107</b>	<b>1,153,269</b>
Void losses	17,388	320,652	<b>338,040</b>	340,607
Void loss %	2.1%	3.5%	<b>3.4%</b>	3.6%
Gross Margin %	47.4%	8.2%	<b>11.2%</b>	10.8%

## Notes to the financial statements for the year ended 31 March 2019 (continued)

## 2a LETTINGS AND SUPPORTING PEOPLE CHARGES (Group)

	General Needs Housing	Supported housing and housing for older people	<b>Housing Activities Total 2019</b>	Housing Activities Total 2018
	£	£	£	£
<b>INCOME</b>				
Rent receivable net of identifiable service charges	433,834	7,202,544	<b>7,636,379</b>	4,429,866
Service income	405,951	6,795,334	<b>7,201,285</b>	4,919,458
<b>Net rents receivable income</b>	<b>839,785</b>	<b>13,997,878</b>	<b>14,837,664</b>	<b>9,349,324</b>
Supporting people income	-	2,474,967	<b>2,474,967</b>	753,916
<b>Lettings activities</b>	<b>839,785</b>	<b>16,472,845</b>	<b>17,312,631</b>	<b>10,103,240</b>
Amortisation of government grant	-	294,386	<b>294,386</b>	561,969
Other income	45	3,383	<b>3,428</b>	50,867
<b>Turnover from lettings and supporting people charges</b>	<b>839,830</b>	<b>16,770,614</b>	<b>17,610,445</b>	<b>10,716,076</b>
<b>EXPENDITURE</b>				
Services	21,281	2,997,601	<b>3,018,882</b>	2,601,824
Management	165,585	9,965,568	<b>10,131,153</b>	5,465,123
Routine Maintenance	15,941	619,041	<b>634,982</b>	133,884
Planned Maintenance	15,145	58,123	<b>73,268</b>	42,082
Bad Debts	17,188	278,127	<b>295,315</b>	224,748
Depreciation of Housing Properties	206,295	981,688	<b>1,187,983</b>	1,095,146
<b>Operating costs on social housing lettings</b>	<b>441,435</b>	<b>14,900,148</b>	<b>15,341,583</b>	<b>9,562,807</b>
<b>Operating surplus (deficit) on social housing</b>	<b>398,395</b>	<b>1,870,466</b>	<b>2,268,861</b>	<b>1,153,269</b>
Void losses	17,388	465,246	<b>482,634</b>	340,606

The number of units held for social housing need was 1,105 (2018: 1,105)

## 2b PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS (YSPG)

	Turnover 2019 £	Operating costs 2019 £	<b>Operating Surplus 2019 £</b>	Operating Surplus 2018 £
Social housing lettings (Note 2a)	10,070,496	9,116,202	954,294	540,433
Other social housing activities				
Supporting people	848,856	848,856	-	-
Amortisation of Government Grant	294,386	-	294,386	561,969
Other Income	3,428	-	3,428	50,867
Total letting and supporting people	11,217,166	9,965,058	1,252,108	1,153,269
Other activities (Note 3)	7,329,407	7,293,297	36,110	(49,329)
	<b>18,546,573</b>	<b>17,258,356</b>	<b>1,288,217</b>	<b>1,103,940</b>

## Notes to the financial statements for the year ended 31 March 2019 (continued)

**2b PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS (Group)**

	Turnover	Operating costs	Operating Surplus	Operating Surplus
	2019	2019	2019	2018
	£	£	£	£
Social housing lettings (Note 2a)	14,837,664	12,642,049	<b>2,195,614</b>	540,433
Other social housing activities				
Supporting people	2,474,967	2,699,534	<b>(224,567)</b>	-
Amortisation of Government Grant	294,386	-	<b>294,386</b>	561,969
Other Income	3,428	-	<b>3,428</b>	50,867
Total letting and supporting people	17,610,445	15,341,583	<b>2,268,861</b>	1,153,269
Other activities (Note 3)	7,995,885	8,213,987	<b>(218,101)</b>	(49,329)
	<b>25,606,330</b>	<b>23,555,570</b>	<b>2,050,760</b>	<b>1,103,940</b>

**3. PARTICULARS OF TURNOVER FROM CHARITABLE ACTIVITIES**

	YSPG 2019 £	YSPG 2018 £
Membership	<b>1,436,073</b>	1,506,907
Activity fees	<b>2,883,751</b>	2,763,568
Food and beverage	<b>741,827</b>	718,584
Grants	<b>445,486</b>	477,768
Conference/Occasional Room Hire	<b>186,937</b>	201,402
	<b>5,694,074</b>	5,668,229
Care Homes income	<b>759,151</b>	726,503
Other donations and grants	<b>21,627</b>	29,377
Shop sales	<b>86,931</b>	69,527
Office rent	<b>335,175</b>	361,949
Other income	<b>432,449</b>	442,105
	<b>7,329,407</b>	7,297,690

**4. HEALTH, FITNESS AND WELLBEING EXPENDITURE**

	YSPG 2019 £	YSPG 2018 £
Maintenance	<b>415,469</b>	472,850
Salaries and wages	<b>3,332,480</b>	3,242,270
Other apportioned costs	<b>1,898,213</b>	2,559,257
	<b>5,646,162</b>	6,274,377

**5. DIRECTORS' EMOLUMENTS**

No member of the Board received any remuneration from the Group (2018: Nil). Expenses were reimbursed to two Board members (2018: eight) amounting to £1,356 (2018: £3,303).

## Notes to the financial statements for the year ended 31 March 2019 (continued)

## 6. EMPLOYEE INFORMATION

	<b>Group 2019</b>	Group 2018	<b>YSPG 2019</b>	YSPG 2018
	£	£	£	£
<b>Staff Costs</b>				
Wages and Salaries	<b>11,536,295</b>	7,938,793	<b>8,666,581</b>	7,938,793
Social security costs	<b>752,311</b>	551,636	<b>591,722</b>	551,636
Other pension costs	<b>473,558</b>	245,429	<b>406,378</b>	245,429
	<b>12,762,164</b>	8,735,858	<b>9,664,681</b>	8,735,858

**Redundancy and termination payments**

Statutory redundancy payments	<b>23,489</b>	218,763	<b>23,489</b>	218,763
Payment in lieu of notice period	-	71,194	-	71,194
Ex-gratia payment for loss of office	<b>25,670</b>	48,250	<b>25,670</b>	48,250
Total included in wages and salaries	<b>49,159</b>	338,207	<b>49,159</b>	338,207

**Average number of employees**

Managers	<b>86</b>	41	<b>57</b>	41
Service Delivery	<b>332</b>	207	<b>208</b>	207
Average number of full time equivalent employees	<b>418</b>	248	<b>265</b>	248

The number of employees who earned more than £60,000 (excluding pensions) during the year was:

	<b>Group 2019</b>	Group 2018	<b>YSPG 2019</b>	YSPG 2018
£60,001 - £70,000	<b>5</b>	5	<b>5</b>	5
£70,001 - £80,000	-	-	-	-
£80,001 - £90,000	<b>1</b>	1	<b>1</b>	1
£90,001 - £100,000	<b>1</b>	1	<b>1</b>	1

Total pension contribution for the higher paid employees was £60,576 (2018: £53,065)

## 7. DIRECTORS' AND SENIOR EXECUTIVES REMUNERATION

The Directors and Trustees are shown on page 3. Senior Executives are the Senior Management Team as disclosed on page 3.

	<b>Group 2019</b>	Group 2018	<b>YSPG 2019</b>	YSPG 2018
	£	£	£	£
Senior executive emoluments	<b>718,908</b>	552,271	<b>651,159</b>	552,271
Contribution to pension scheme	<b>68,576</b>	47,176	<b>63,920</b>	47,176
	<b>787,484</b>	599,447	<b>715,079</b>	599,447

The highest paid employee's emoluments and pension costs as an ordinary member of the contributory pension scheme in the year ended 31 March 2019 were £92,974 (2018: £91,600) and £12,586 (2018: £11,733).

## Notes to the financial statements for the year ended 31 March 2019 (continued)

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Group 2019 £</b>	Group 2018 £	<b>YSPG 2019 £</b>	YSPG 2018 £
Dividends and fixed interest securities	<b>23,645</b>	24,664	<b>23,645</b>	24,664
Bank interest receivable	<b>11,593</b>	4,214	<b>7,577</b>	4,214
	<b>35,238</b>	28,878	<b>31,222</b>	28,878

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Group 2019 £</b>	Group 2018 £	<b>YSPG 2019 £</b>	YSPG 2018 £
Bank charges	<b>132,634</b>	141,582	<b>132,634</b>	141,582
Bank overdraft/loans repayable within 5 years	<b>871,642</b>	534,410	<b>644,164</b>	534,410
Amortization of arrangement fees	<b>40,383</b>	29,533	<b>40,383</b>	29,533
Interest on pension deficit	-	81,886	-	81,886
	<b>1,044,659</b>	787,411	<b>817,181</b>	787,411
Bank overdraft/loans repayable within 5 years; Capitalised	-	26,485	-	26,485
	<b>1,044,659</b>	813,896	<b>817,181</b>	813,896

The cumulative amount of capitalised interest at balance sheet date was £727,935 (2018: £727,935)

**10. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The operating surplus is stated after charging:

	<b>Group 2019 £</b>	Group 2018 £	<b>YSPG 2019 £</b>	YSPG 2018 £
Depreciation of tangible assets:				
Owned assets	<b>1,804,549</b>	1,409,750	<b>1,484,549</b>	1,409,750
Held under finance leases	-	19,395	-	19,395
Write down of development costs	<b>150,311</b>	-	<b>150,311</b>	-
Auditors' remuneration:				
In their capacity as auditors	<b>56,226</b>	45,955	<b>38,376</b>	45,955
Tax work	<b>5,996</b>	-	<b>5,996</b>	-
Other services	<b>6,406</b>	-	<b>6,406</b>	-
Operating lease rentals:				
Land & buildings	<b>680,527</b>	603,630	<b>680,527</b>	603,630
Other	<b>128,452</b>	73,248	<b>85,577</b>	73,248



YMCA ST. PAUL'S GROUP

Notes to the financial statements for the year ended 31 March 2019 (continued)

11. TANGIBLE FIXED ASSETS (GROUP)

	Housing Property Freehold Buildings	Long leasehold Land & Buildings	Development Buildings	Other Property Freehold	Short Leasehold Buildings	Computer Equipmen t	Furniture & Equipment	Motor Vehicles	TOTAL
	£	£	£	£	£	£	£	£	£
<b>COST OR VALUATION</b>									
At 1 April 2018	25,564,498	4,821,184	10,899,886	-	59,007	760,580	5,652,598	59,563	47,817,316
Transfer of assets	-	-	-	-	-	-	-	-	-
Additions	57,292	1,675	92,968	38,466	-	493,721	805,285	-	1,489,407
Assets acquired on business combination	18,490,000	-	-	840,404	-	-	86,097	-	19,416,501
Write down	-	-	(150,311)	-	-	-	-	-	(150,311)
<b>At 31 March 2019</b>	<b>44,111,790</b>	<b>4,822,859</b>	<b>10,842,543</b>	<b>878,870</b>	<b>59,007</b>	<b>1,254,301</b>	<b>6,543,980</b>	<b>59,563</b>	<b>68,572,913</b>
<b>DEPRECIATION</b>									
At 1 April 2018	3,849,988	1,168,477	1,280,001	-	59,007	486,274	3,393,247	53,966	10,290,960
Charge for the year	1,001,299	104,057	1,140	-	-	135,102	561,352	1,599	1,804,549
<b>At 31 March 2019</b>	<b>4,851,287</b>	<b>1,272,534</b>	<b>1,281,141</b>	<b>-</b>	<b>59,007</b>	<b>621,376</b>	<b>3,954,599</b>	<b>55,565</b>	<b>12,095,509</b>
<b>NET BOOK VALUE</b>									
<b>At 31 March 2019</b>	<b>39,260,503</b>	<b>3,550,325</b>	<b>9,561,402</b>	<b>878,870</b>	<b>-</b>	<b>632,925</b>	<b>2,589,381</b>	<b>3,998</b>	<b>56,477,404</b>
At 31 March 2018	21,714,510	3,652,707	9,619,885	-	-	274,306	2,259,351	5,597	37,526,356

**YMCA ST. PAUL'S GROUP**  
Notes to the financial statements for the year ended 31 March 2019 (continued)

**11. TANGIBLE FIXED ASSETS (VSPG)**

	Housing Property Freehold Buildings	Long leasehold Land & Buildings	Other Property Development Buildings	Short Leasehold Buildings	Computer Equipment	Furniture & Equipment	Motor Vehicles	TOTAL
<b>COST OR VALUATION</b>	£	£	£	£	£	£	£	£
At 1 April 2018	25,564,498	4,821,184	10,899,884	59,007	760,580	5,652,598	59,563	47,817,313
Transfer of assets	-	-	-	-	-	-	-	-
Additions	57,292	1,675	92,968	-	493,721	794,787	-	1,440,444
Disposals	-	-	-	-	-	-	-	-
Write down	-	-	(150,311)	-	-	-	-	(150,311)
<b>At 31 March 2019</b>	<b>25,621,790</b>	<b>4,822,859</b>	<b>10,842,541</b>	<b>59,007</b>	<b>1,254,301</b>	<b>6,447,385</b>	<b>59,563</b>	<b>49,107,446</b>
<b>DEPRECIATION</b>								
At 1 April 2018	3,849,988	1,168,477	1,280,001	59,007	486,274	3,393,247	53,966	10,290,960
Transfer of assets	-	-	-	-	-	-	-	-
Charge for the year	681,299	104,057	1,140	-	135,102	561,352	1,599	1,484,549
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>4,531,287</b>	<b>1,272,534</b>	<b>1,281,141</b>	<b>59,007</b>	<b>621,376</b>	<b>3,954,599</b>	<b>55,565</b>	<b>11,775,509</b>
<b>NET BOOK VALUE</b>								
<b>At 31 March 2019</b>	<b>21,090,503</b>	<b>3,550,325</b>	<b>9,561,400</b>	<b>-</b>	<b>632,925</b>	<b>2,492,786</b>	<b>3,998</b>	<b>37,331,937</b>
At 31 March 2018	21,714,510	3,652,707	9,619,883	-	274,306	2,259,351	5,597	37,526,354

**YMCA ST. PAUL'S GROUP**  
**Notes to the financial statements for the year ended 31 March 2019 (continued)**

**12. TAXATION**

YMCA St. Paul's Group is exempt from Corporation Tax on its charitable activities. The trading company had nil Corporation Tax for the year.

**13. DEBTORS**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>YSPG 2019</b>	<b>YSPG 2018</b>
	£	£	£	£
Rental Debtors	<b>1,337,655</b>	927,261	<b>617,128</b>	927,261
Provision for bad debts	<b>(717,180)</b>	(347,078)	<b>(305,044)</b>	(347,078)
Taxation and Social Security	-	354,182	-	354,182
Amounts owed by group undertakings	-	-	<b>1,436,940</b>	-
Other debtors	<b>1,095,762</b>	732,768	<b>983,963</b>	732,768
Prepayments and accrued income	<b>614,119</b>	510,989	<b>591,507</b>	510,989
	<b>2,330,356</b>	<b>2,178,122</b>	<b>3,324,494</b>	<b>2,178,122</b>

**14. INVESTMENTS**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>YSPG 2019</b>	<b>YSPG 2018</b>
	£	£	£	£
Investment in subsidiary	-	2	-	2
<b>Managed units</b>				
Market value at 1 April 2018	<b>725,950</b>	715,221	<b>725,947</b>	715,221
Additions	<b>779,410</b>	26,003	<b>779,410</b>	26,003
Disposal proceeds	<b>(706,155)</b>	(17,757)	<b>(706,155)</b>	(17,757)
Net investment gains	<b>27,031</b>	2,480	<b>27,031</b>	2,480
Market value at 31 March 2019	<b>826,235</b>	725,947	<b>826,232</b>	725,947
Historical cost at 31 March 2019	<b>563,973</b>	563,973	<b>837,586</b>	563,973

**Analysis of Market Value at 31 March 2019**

	<b>Group 2019</b>	<b>Group 2018</b>	<b>YSPG 2019</b>	<b>YSPG 2018</b>
	£	£	£	£
UK Listed Investments are represented by:				
Fixed Interest Securities	<b>23,764</b>	95,513	<b>23,764</b>	95,513
Equity Shares	<b>462</b>	568,463	<b>462</b>	568,463
Unit Trusts and Similar Funds	<b>802,006</b>	61,971	<b>802,006</b>	61,971
<b>Total</b>	<b>826,232</b>	725,947	<b>826,232</b>	725,947

**YMCA ST. PAUL'S GROUP**

**Notes to the financial statements for the year ended 31 March 2019 (continued)**

**15. CREDITORS – Amounts falling due within one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>YSPG 2019 £</b>	<b>YSPG 2018 £</b>
Bank Loans and overdrafts (note 16)	<b>276,543</b>	23,112	<b>21,905</b>	23,112
Hampton Pool Ltd Loan	<b>5,518</b>	5,518	<b>5,518</b>	5,518
Hampton Fuel Allotment Charity Loan	<b>6,800</b>	6,800	<b>6,800</b>	6,800
Finance leases	<b>14,629</b>	11,749	-	11,749
Trade creditors	<b>1,527,633</b>	934,488	<b>1,495,579</b>	934,488
Taxation and social security	<b>248,257</b>	211,473	<b>182,996</b>	211,473
Accruals and deferred income	<b>1,130,559</b>	973,617	<b>818,043</b>	973,617
Pension Deficit Liability	<b>109,558</b>	64,449	<b>64,449</b>	64,449
Housing Grants (note 21)	<b>276,886</b>	276,886	<b>276,886</b>	276,886
Other creditors	<b>830,058</b>	195,288	<b>188,397</b>	195,288
	<b>4,426,441</b>	2,703,380	<b>3,060,573</b>	2,703,380

**16. CREDITORS – Amounts falling due after more than one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>YSPG 2019 £</b>	<b>YSPG 2018 £</b>
Bank Loans	<b>24,584,876</b>	20,046,715	<b>20,023,969</b>	20,046,715
Hampton Pool Ltd Loan	<b>5,518</b>	11,036	<b>5,518</b>	11,036
Hampton Fuel Allotment Charity Loan	<b>13,600</b>	20,400	<b>13,600</b>	20,400
	<b>24,603,994</b>	20,078,151	<b>20,043,087</b>	20,078,151
Pension deficit liability	<b>1,289,580</b>	1,102,776	<b>972,254</b>	1,102,776
Deferred capital Grant	<b>5,707,317</b>	5,984,203	<b>5,707,317</b>	5,984,203
	<b>31,600,891</b>	27,165,130	<b>26,722,658</b>	27,165,130

**Total loans and borrowings**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>YSPG 2019 £</b>	<b>YSPG 2018 £</b>
<b>Debt comprises</b>				
Bank Loans and overdrafts	<b>24,861,417</b>	20,069,827	20,045,874	20,069,827
Obligations under finance leases	<b>14,629</b>	11,749	-	11,749
Other Loans	<b>31,436</b>	43,754	31,436	43,754
	<b>24,907,482</b>	20,125,330	<b>20,077,310</b>	20,125,330

**The aggregate debt is repayable:**

In one year or less, or on demand	303,490	47,179	34,223	47,179
In more than one year but not more than two years	308,108	37,036	39,120	37,036
In more than two year but not more than five years	8,170,767	6,065,139	7,263,615	6,065,139
In more than five years	16,125,117	13,975,976	12,740,351	13,975,976
	<b>24,907,482</b>	20,125,330	<b>20,077,309</b>	20,125,330

**16. CREDITORS – Amounts falling due after more than one year (continued)****Loans – YMCA St Pauls Group**

The bank loans are secured by a first fixed charge over the following freehold properties: Forest Road-Main Hostel, Marsham Court-Residential, Marsham Court-Office, Brookscroft, 18 Balaclava Road, Forest Road-Gym, 49 Victoria Road-Main Hostel, Surbiton-Gym, Surbiton-Office, Forest Road-Telecoms, Rodney House in Walton-on-Thames, Langdown in Molesey. £1,893,887 of the loan is repayable over 25 years and the rest is repayable over 3 to 12 years. Loans bear interest at rates between 2.65% and 3.25%.

**Loans – West London YMCA**

The mortgage is secured by a fixed charge on the leasehold housing property, a fixed charge on the rental income arising thereon, and a floating charge over all of the charity's assets and undertakings, except the non-housing freehold property. The capital element is repayable in instalments over 20 years starting on 28 September 2011. Interest is charged at various rates with a weighted average of 4.51% (2018: 4.19%) at the year-end and £3,091,391) (2018: £3,409,014) is due after more than five years.

The housing property finance is secured by a first charge on certain freehold housing properties. It is repayable in instalments with 26 years to run. It bears interest at 10.875% (2018: 10.875%)

**17. OPERATING LEASE COMMITMENTS**

At the year end, the total future minimum lease payments non-cancellable operating leases were:

	<b>Group Property 2019 £</b>	<b>Group Property 2018 £</b>	<b>Group Other 2019 £</b>	<b>Group Other 2018 £</b>
<b>Total future payments due:</b>				
Not later than one year	<b>644,041</b>	603,630	<b>95,120</b>	86,057
Later than one year and less than five years	<b>1,471,370</b>	1,660,011	<b>80,492</b>	132,738
Later than five years	<b>1,546,680</b>	1,836,682	-	-
	<b>3,662,091</b>	4,100,323	<b>175,612</b>	218,795
Lease payments expensed in the year	<b>680,527</b>	603,630	<b>100,256</b>	73,248
	<b>YSPG Property 2019 £</b>	<b>YSPG Property 2018 £</b>	<b>YSPG Other 2019 £</b>	<b>YSPG Other 2018 £</b>
<b>Total future payments due:</b>				
Not later than one year	<b>644,041</b>	603,630	<b>80,441</b>	86,057
Later than one year and less than five years	<b>1,471,370</b>	1,660,011	<b>52,296</b>	132,738
Later than five years	<b>1,546,680</b>	1,836,682	-	-
	<b>3,662,091</b>	4,100,323	<b>132,737</b>	218,795
Lease payments expensed in the year	<b>680,527</b>	603,630	<b>85,577</b>	73,248

# YMCA ST. PAUL'S GROUP

## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 18. FINANCE LEASE COMMITMENTS

	Group 2019	Group 2018	YSPG 2019	YSPG 2018
	£	£	£	£
<b>Total future payments due:</b>				
Not later than one year	14,629	11,749	-	11,749
Later than one year and later than five years	-	-	-	-
Later than two years but less than five years	-	-	-	-
Later than five years	-	-	-	-
	<b>14,629</b>	<b>11,749</b>	<b>-</b>	<b>11,749</b>

### 19. PROVISION FOR LIABILITIES

#### Pension deficit contributions

	Group 2019	Group 2018	YSPG 2019	YSPG 2018
	£	£	£	£
As 1 April 2018	1,576,248	639,688	1,167,224	639,688
Consolidation of pension schemes	-	567,831	-	567,831
Incorporation of Slough scheme	-	14,200	-	14,200
Unwinding of discount and under provision	311	72,528	311	72,528
Contribution paid	(177,421)	(127,023)	(130,833)	(127,023)
At 31 March 2019	<b>1,399,138</b>	<b>1,167,224</b>	<b>1,036,702</b>	<b>1,167,224</b>

### 20. PENSIONS

The Group operates a number of pension schemes.

#### Defined benefit pension scheme

YMCA St. Paul's Group participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA St. Paul's Group and at 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. This has shown that the pension recovery is on track and there is no need to increase contributions or extend the recovery period.

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. YMCA St. Paul's Group has been advised that it will need to make monthly contributions of

£15,202 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 monthly deficit contributions are subject to an annual 3% increase.

### Defined Contribution Schemes

YMCA St. Paul's Group also runs defined contribution schemes open to all staff. The assets of these schemes are also held separately from those of the group and contributions are charged to the statement of comprehensive income as they fall due. The combined pension charge of both schemes is shown in note 6.

## 21. DEFERRED CAPITAL GRANT

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>YSPG 2019 £</b>	<b>YSPG 2018 £</b>
As 1 April 2018	<b>6,261,089</b>	6,777,596	<b>6,261,089</b>	6,777,596
Released to income during the year	<b>(276,886)</b>	(516,507)	<b>(276,886)</b>	(516,507)
At 31 March 2019	<b>5,984,203</b>	6,261,089	<b>5,984,203</b>	6,261,089

## 22. STATEMENT UNDER SECTION 37 LOCAL GOVERNMENT AND HOUSING ACT 1989

### Hampton Fuel Allotment Charity (HFAC)

The Group received restricted grant funding from the HFAC which has been utilised towards the revenue expenditure and refurbishment of the White House centre.

## 23. CAPITAL COMMITMENTS

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>YSPG 2019 £</b>	<b>YSPG 2018 £</b>
Commitments contracted but not provided for				
Furniture and Equipment	<b>43,461</b>	89,934	<b>43,461</b>	89,934
Computer software	<b>12,600</b>	187,585	<b>12,600</b>	187,585
Maintenance	<b>22,360</b>	30,417	<b>22,360</b>	30,417
Construction	<b>15,666</b>	-	<b>15,666</b>	-
	<b>94,087</b>	307,936	<b>94,087</b>	307,936
Expenditure approved but not contracted for				
Furniture and Equipment	-	78,082	-	78,082
Computer software	-	8,986	-	8,986
Maintenance	-	39,560	-	39,560
Motor vehicles	-	-	-	-
Construction	-	32,076	-	32,076
Fixtures and Fittings	<b>28,608</b>	-	<b>28,608</b>	-
	<b>28,608</b>	158,704	<b>28,608</b>	158,704
Capital commitments for the Group will be funded as follows:				
New loans and grants	-	-	-	-
Internal Cash Reserves	<b>122,695</b>	466,639	<b>122,695</b>	466,639
	<b>122,695</b>	466,639	<b>122,695</b>	466,639

**24. RELATED PARTY TRANSACTIONS**

The area Director for East and West London is also the chair of the Board of Governors of Woodside Primary Academy, a ReAch2 Trust academy. The school hire the facilities at the YMCA in Walthamstow on a regular basis. All transactions with the related party are carried out on the standard terms of business.

**25. BUSINESS COMBINATIONS****YMCA West London**

On 1 April 2018, West London YMCA came under the control of YMCA St Paul's Group. No consideration passed in relation to this transaction.

In calculating the gain arising on business combination, the fair values of the net assets of YMCA West London have been assessed and adjustments from book value have been made. These adjustments are summarised in the following table.

	Book Value £	Adjustments £	Fair value £
<b>Fixed Assets</b>			
Housing Properties	27,119,748	(8,629,748)	<b>18,490,000</b>
Other Properties	840,404	-	<b>840,404</b>
Other Fixed Assets	86,097	-	<b>86,097</b>
Investments	3	-	<b>3</b>
<b>Current Assets</b>			
Stocks	8,397	-	<b>8,397</b>
Debtors	509,071	-	<b>509,071</b>
Cash at bank and in hand	167,582	-	<b>167,582</b>
<b>Total Assets</b>	<b>28,731,302</b>	<b>(8,629,748)</b>	<b>20,101,554</b>
Deferred Capital Grant	(13,405,259)	13,405,259	-
Other Creditors	(8,146,629)	1,181,640	<b>(6,964,989)</b>
<b>Amount treated as donation income in the year</b>	<b>7,179,414</b>	<b>5,957,151</b>	<b>13,136,565</b>

As the fair value of the Housing properties was determined on the basis of Existing Use Value - Social Housing, the related social housing grant has been credited to the Income and expenditure account and is recognised as a contingent liability.