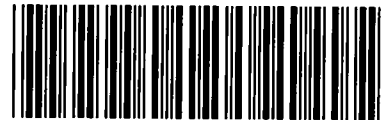


YMCA WORCESTER

**Part of Worcestershire YMCA
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

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

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WORCESTER YMCA

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WORCESTER YMCA

REPORT OF THE BOARD

The Board is pleased to present its report and audited financial statements for the year ended 31 March 2019.

Reference and administration information

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

Board

The Board is composed of the following individuals:

Mike Higley (Chair)
Jacintha Hodgson
Philip Simpson
Simon Hill
Dr Juliet Horne
Diana Drew Appointed 31 December 2018

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

Registered Office

YMCA Hostel
Henwick Road
St Johns
Worcester
WR2 5NS

Auditors

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

Bankers

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Solicitors

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

WORCESTER YMCA

REPORT OF THE BOARD

Structure, Governance and Management

Constitution

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

Organisational structure

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

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

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

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

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

Recruitment and appointment to the Board

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

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

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

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

WORCESTER YMCA

REPORT OF THE BOARD

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

Board member induction and training

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

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

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

Code of Governance

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

Statement of Board responsibilities

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

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

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

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

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

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

WORCESTER YMCA

REPORT OF THE BOARD

Provision of information to auditors

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

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

Corporate Governance – internal financial control

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

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

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

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

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

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

Risk management

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

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

WORCESTER YMCA

REPORT OF THE BOARD

Risk management (continued)

Risk	Mitigation and further action to be taken.
Governance - loss of key staff	Trustees act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly.
Operational – project / service development	Plans to enhance development of new plans in line with objects formulated. Further action: review operational strategy and accelerate implementation. Develop future plans for childcare provision in Kidderminster.
Financial - dependency on limited income sources	Major dependencies on supported housing, enhanced housing management and local government funding. Strategic plans aim to change the mix of income to include fundraising and the provision of services that are less dependent on Government policy. Specific opportunities identified. Acquisition of a trading subsidiary has diversified income. Further action: Realise opportunities identified and monitor success of diversification plans and organisational capability to ensure they match future requirements.
Environmental or external factors - changing government policy	Networking and lobbying to minimize adverse policy changes and their effects. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Compliance - diversification of activities	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify and monitor the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.

Financial Review

Reserves

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

The Board consider there are sufficient assets to meet obligations as they arise. Net current assets are £1,529,801 (2018: £1,824,658).

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

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

The Board has reviewed its reserves policy and the designation of reserves in the light of the changes to accounting standards. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure (£140,566) to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

WORCESTER YMCA

REPORT OF THE BOARD

Employment of disabled persons

The Association operates an equal opportunities employment policy and recently committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

Objects and activities

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

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

The Association's objects and principal activities are to:

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

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Strategy

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

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

We measure the success of the strategy:

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

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

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

WORCESTER YMCA
REPORT OF THE BOARD

Review of activities

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

The two most significant charitable activities contributing to the achievement of our objectives in the year were:

Residential Accommodation
Children and Youth Services

During the year our work in providing support to young people aged 16-25 and to vulnerable adults continued. We acquired a freehold property of 14 units of accommodation and disposed of the hostel site on Henwick Road. We maintained occupancy of the hostel during the year under a leaseback agreement to facilitate a smooth transition.

We acquired Little Treasures Limited, a pre-school nursery in Malvern to increase the work with children.

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

WORCESTER YMCA

REPORT OF THE BOARD

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

Highlighted Achievements:

In conjunction with YMCA Worcestershire Limited, providing safe and secure homes to over 300 people who would otherwise have been homeless; Working in partnership to provide specialist, intensive support to 337 young people, some who have experienced trauma; Working in 21 partnership areas to mentor 169 young people through Talent Match programme.

This year we opened an additional site in Worcester which provides 14 units of accommodation for young people aged 18-35 in training and education. The focus for this accommodation is on affordable rents, that supports young people into employment, self-employment, education and training, it will provide more opportunities for young people to secure quality accommodation regardless of income in Worcestershire. YMCA Worcester has sold their hostel in the city, we plan to continue to operate from the site until December 2019.

There are several accommodation options that we are considering after our departure from Henwick Road. We continue to explore new ways to deliver low cost housing, rent to save models and strategic relationships with other housing providers to help young people transition into more suitable housing that provides the certainty for their next stages in life.

In Worcester, residents benefit from a full catering service, which is supported by Fairshare, a fresh food recycling charity and generous donations from local supermarkets. The kitchen also hosts a lunch for older people every week, and has delivered other activities.

We aim to build independent futures and provide services such as counselling and employment advice. We also host an exciting and varied events programme designed to engage people in sports, fitness and wellbeing activities. We run a team and, in conjunction with Worcester Warriors, run a homeless Rugby team. We work closely with other charities and organisations including job coaches that host a weekly drop in for residents to gain employment. There is also a weekly craft sessions for females delivered by a local church group. All new residents at Worcester are offered our tenancy sustainability course which equips participants with the skills, knowledge and confidence to successfully achieve and maintain independent living. This year, with YMCA Worcestershire Limited we helped over people, who would otherwise have been homeless. We have continued to provide, in partnership with Worcestershire County Council, intensive housing and support for young people aged between 16-23 and those leaving the care system and we supported people through this program.

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

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

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

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

WORCESTER YMCA

REPORT OF THE BOARD

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

Highlighted achievements:

In conjunction with Worcestershire YMCA we have recruited a Business Manager with a view to increasing unrestricted funding and undertaken joint fundraising events. Together we have also explored further partnership working with local councils, the private sector, local college and local churches.

This year efforts have been focused on national campaigns from YMCA England and Wales such as IAMWHOLE and Be Real. It included a social media campaign around mental health and the introduction of Whole hour which brought staff and service users together to promote better mental health.

This year Little Treasures Limited, a trading subsidiary was acquired.

A project plan has been implemented address the recent changes in data protection regulation and the board have reviewed the Charity Commission Code of Governance. The organisation has updated all relating policies and procedures relating to data protection to ensure they are in line with General Data Protection Legislation. This includes the introduction of a Data Protection Coordinator that supports the organisation in data protection compliance.

Volunteering remains an important part of the organisation with relationships with local colleges and universities remaining strong. Volunteer numbers have increased to 75 (2018: 34) Volunteer hours have remained consistent throughout the year with an average of 350 hours delivered across the organisation. We have plans to expand our volunteering offer including international schemes such as Erasmus and by working with the wider YMCA movement. A youth engagement team have developed a research project aimed to support the next youth strategy through hearing the views of young people locally.

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

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

We continue to operate a relief fund to encourage the uptake of work by residents through offsetting some of the cost of rent where the individual would otherwise be disadvantaged by accepting work due to the loss of benefits. We are particularly grateful to those who have made grants and donations to our charity and also to the various local authorities and other partners who continue to provide much needed funds and support for the continuation and expansion of our work.

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

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

WORCESTER YMCA

REPORT OF THE BOARD

Value for Money

Value for money forms part of our sustain service strategy. To improve our value for money we re-tendered our utilities contracts using a procurement consultant, which produced a saving of just under £10,000 per annum and we are continuing to review utilities costs across the business. At the time of writing, all of our accommodation is full, with waiting lists in a number of schemes which ensures that when we have a vacancy we can minimise the period in which it is empty.

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

Public Benefit

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

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

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

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

Plans for future periods

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

Our main objectives for next year:

Young People and Adults:

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

By order of the Board

M Higley
Chair

23 September 2019

YMCA Hostel
Henwick Road
St Johns
Worcester
WR2 5NS
Tel: 01527 61643

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

Opinion

We have audited the financial statements of Worcester YMCA ("the parent charitable company") and its subsidiary ("the group") for the year ended 31 March 2019 which comprise the Group Statement of Financial Activities, the Group and Parent Company Balance Sheets, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent charitable company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

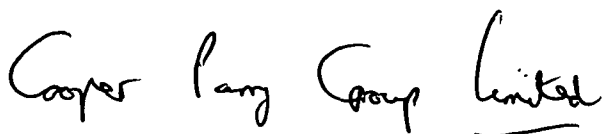
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and to the charitable company's trustees as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA

Senior Statutory Auditor for and on behalf of:

Cooper Parry Group Limited

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

27/09/19

WORCESTER YMCA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including an income and expenditure account)
YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income from:					
Voluntary income	3	8,096	-	8,096	-
Other trading activities	4	970,189	-	970,189	53,527
Investment income		31	-	31	32
Charitable activities	5	802,282	-	802,282	746,030
Total income		<u>1,780,598</u>	<u>-</u>	<u>1,780,598</u>	<u>799,589</u>
Expenditure on:					
Raising funds-trading activities		282,488	-	282,488	-
Charitable activities		843,395	-	843,395	615,210
Total resources expended	6	<u>1,125,883</u>	<u>-</u>	<u>1,125,883</u>	<u>615,210</u>
Net income / (expenditure) for the year before other recognised gains and losses		<u>654,715</u>	<u>-</u>	<u>654,715</u>	<u>184,379</u>
Transfers between funds	16	-	-	-	-
Net movement in funds		<u>654,715</u>	<u>-</u>	<u>654,715</u>	<u>184,379</u>
Reconciliation of funds					
Fund balance at 1 April 2018		1,736,827	-	1,736,827	1,552,448
Fund balance at 31 March 2019	16	<u>2,391,542</u>	<u>-</u>	<u>2,391,542</u>	<u>1,736,827</u>

The accompanying notes form part of these financial statements.

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

All activities derive from continuing operations.

WORCESTER YMCA

**CONSOLIDATED BALANCE SHEET
31 MARCH 2019**

Registered company number: 05056873

	Notes	Group 2019 £	Association 2019 £	Group 2018 £	Association 2018 £
Fixed assets					
Intangible assets	10	396,587	-	-	-
Tangible fixed assets	11	1,396,804	579,923	-	3,210
Investments	12	690	893,603	-	690
		<u>1,794,081</u>	<u>1,473,526</u>	<u>-</u>	<u>3,900</u>
Current assets					
Freehold property	14	-	-	-	1,300,000
Stock		700	700	-	761
Debtors	13	107,660	501,511	-	299,861
Cash at bank and in hand		1,891,856	1,622,155	-	296,127
		<u>2,000,216</u>	<u>2,124,366</u>	<u>-</u>	<u>1,896,749</u>
Creditors: amounts falling due within one year	15	(470,415)	(179,347)	-	(72,091)
Net current assets		<u>1,529,801</u>	<u>1,945,019</u>	<u>-</u>	<u>1,824,658</u>
Total assets less current liabilities		<u>3,323,882</u>	<u>3,418,545</u>	<u>-</u>	<u>1,828,558</u>
Creditors: amounts falling due after more than one year		(848,803)	(848,803)	-	-
Provision for liabilities and charges	22	(83,537)	(81,537)	-	(91,731)
Net assets		<u>2,391,542</u>	<u>2,488,205</u>	<u>-</u>	<u>1,736,827</u>
Represented by					
Unrestricted funds					
General funds	16	2,473,079	2,406,668	-	883,948
Pension reserve	16	(81,537)	(81,537)	-	(91,731)
Revaluation reserve	16	-	-	-	944,609
		<u>2,391,542</u>	<u>2,488,205</u>	<u>-</u>	<u>-</u>
Restricted funds	16	-	-	-	-
Total		<u>2,391,542</u>	<u>2,488,205</u>	<u>-</u>	<u>1,736,827</u>

Approved by the Board on 23 September 2019

.....
M Higley

The accompanying notes form part of these financial statements.

WORCESTER YMCA

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

	Note	2019 £	2018 £
Net cash inflow from operating activities	18	322,189	119,222
Returns of investment and servicing of finance			
Interest paid		11,634	-
		<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance		11,634	-
Capital expenditure			
Payments to acquire tangible fixed assets		(595,979)	(55)
Proceeds from sale of fixed assets		1,850,000	-
Acquisition of subsidiary		(874,292)	-
		<hr/>	<hr/>
Net cash (outflow) / inflow from capital expenditure		379,729	(55)
Financing			
Net movement in short term borrowings		33,375	-
Net movement in long term borrowings		848,802	-
		<hr/>	<hr/>
Net cash inflow from financing		882,177	-
		<hr/>	<hr/>
Change in cash and cash equivalents during the year	19	1,595,729	119,167
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1 Legal status

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

The address of the registered office is given in the information on page 3 of these financial statements.

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of preparation

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

The financial statements are prepared in sterling and rounded to the nearest pound.

Basis of Consolidation

The group is required by Charities Act 2011 to prepare consolidated Financial Statements. The Financial statements incorporate those of the Charity and the its subsidiary, reflecting trading activities to 31 March 2019.

All intra-Group transactions and balances between Group companies are eliminated on consolidation.

The wholly owned subsidiaries which are consolidated are:
Little Treasures Limited

Business Combinations

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life. The period chosen for writing off goodwill is nine years representing the remaining life of the lease acquired on the business premises of the subsidiary acquired.

Going concern

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

Fund accounting

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

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

Accounting policies (continued)

Incoming resources

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

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

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

Investment income is recognised on a receivable basis.

Rental income for accommodation is accounted for when it becomes receivable. Income from education and training activities includes income received under contract, subject to specific performance conditions.

Resources expended

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

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

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

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

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

Tangible fixed assets and depreciation

Fixed assets are recorded at cost at the time of acquisition.

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

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

Debtors / creditors receivable / payable within one year.

Investments

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

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

Accounting policies (continued)

Stock

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

Current asset property

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

Operating leases

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

Pensions

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

As described in note 22, Worcester YMCA has a contractual obligation to make pension deficit payments of £10,192 per annum over the period to April 2027 and, accordingly, this is shown as a liability in these accounts. In addition, Worcester YMCA is required to contribute £12,267 per annum to the operating expenses of the pension plan and these costs are charged to the statement of financial activities as they are incurred.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary.

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

Critical areas of Judgements

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

3 Voluntary income

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Donations and legacies	8,096	-	8,096	-
	<u>8,096</u>	<u>-</u>	<u>8,096</u>	<u>-</u>
	<u><u>8,096</u></u>	<u><u>-</u></u>	<u><u>8,096</u></u>	<u><u>-</u></u>

4 Other trading activities

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Hiring of facilities	30,104	-	30,104	53,527
Non charitable trading activities	436,396	-	436,396	-
Profit on disposal of assets	503,689	-	503,689	-
	<u>970,189</u>	<u>-</u>	<u>970,189</u>	<u>53,527</u>
	<u><u>970,189</u></u>	<u><u>-</u></u>	<u><u>970,189</u></u>	<u><u>53,527</u></u>

. In 2018 all of the trading activities income was attributable to unrestricted funds.

5 Charitable activities

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Residential accommodation	802,282	-	802,282	723,306
Children and youth services	-	-	-	22,724
	<u>802,282</u>	<u>-</u>	<u>802,282</u>	<u>746,030</u>
	<u><u>802,282</u></u>	<u><u>-</u></u>	<u><u>802,282</u></u>	<u><u>746,030</u></u>

In 2018 all of the charitable activities income was attributable to unrestricted funds.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

6 Resources expended

	Accommodation £	Corporate Services £	Trading income £	2019 Total £	2018 Total £
Direct costs					
People related	412,454	9,142	221,669	643,265	377,610
Premises related	193,731	-	24,116	217,847	105,071
Vehicle related	-	-	607	607	6,461
Office expenses	18,142	11,313	4,902	34,357	24,815
Other direct expenses	41,951	-	20,609	62,560	32,168
Indirect costs					
Overheads	42,721	30,130	11,124	83,975	63,592
Depreciation and amortisation	19,265	44,066	10,019	73,350	4,591
Other costs	20,480	-	1,235	21,715	902
Taxation	-	-	(11,793)	(11,793)	-
Total resources expended	<u>748,744</u>	<u>94,651</u>	<u>282,488</u>	<u>1,125,883</u>	<u>615,210</u>

All of the total expenditure of £1,125,883 (2018: £615,210) related to unrestricted funds.

Core management recharges are calculated on the basis of 12.5% of budgeted income for that service line and other specific recharges are made in accordance with the agreed bid terms.

Indirect resources expended are allocated on a staff time basis.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

7 Operating surplus

	2019	2018
	£	£
The operating surplus is arrived at after charging:		
Depreciation of tangible fixed assets	29,284	4,591
Amortisation	44,066	-
Auditors' remuneration - for audit services	10,000	6,500
	<u> </u>	<u> </u>

8 Employee costs

	2019	2018
	£	£
Salaries and wages	453,112	266,897
Social security costs	25,967	19,354
Pension and other costs	24,488	5,668
	<u> </u>	<u> </u>
	<u>503,567</u>	<u>291,919</u>

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

	2019	2018
	No.	No.
The average monthly number of persons employed during the year were as follows:		
Direct charitable work	45	22
Administration	-	-
	<u> </u>	<u> </u>
	<u>45</u>	<u>22</u>

The salaries of senior management are paid by the parent charitable company, Worcestershire YMCA, and recharged to this company as appropriate. The aggregate remuneration of senior management is disclosed, on a group basis, in the accounts of Worcestershire YMCA. The accounts of Worcestershire YMCA are available as detailed in note 26 to the accounts.

9 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. Expenses of £Nil (2018: £nil) were reimbursed to trustees during the year.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

10 Intangible assets - Goodwill

	Goodwill £
Cost	
At 1 April 2018	-
Additions	440,652
Amortisation	(44,065)
	<hr/>
At 31 March 2019	396,587
	<hr/> <hr/>

11 Tangible fixed assets - Group

	Computer equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2018	133,549	-	-	133,549
Additions	11,828	11,050	1,335,001	1,357,879
Revaluation	-	-	64,999	64,999
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	145,377	11,050	1,400,000	1,556,427
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2018	130,339	-	-	130,339
Charge for year	4,231	42	25,011	29,284
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	134,570	42	25,011	159,623
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2019	10,807	11,008	1,374,989	1,396,804
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 April 2018	3,210	-	-	3,210
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

Tangible fixed assets - Association

	Computer equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2018	133,549	-	-	133,549
Additions	190	10,788	585,000	595,979
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	133,739	10,788	585,000	729,527
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2018	130,339	-	-	130,339
Charge for year	2,813	-	16,453	19,265
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	133,152	-	16,453	149,604
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2019	587	10,788	568,547	579,923
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2018	3,210	-	-	3,210
	<hr/>	<hr/>	<hr/>	<hr/>

12 Investments

	2019 £	2018 £
COIF Charities Investment		
Market value at 1 April 2018	690	690
(Loss) / gain on revaluation	-	-
	<hr/>	<hr/>
Market value at 31 March 2019	690	690
	<hr/>	<hr/>

The charity also owns 100% of the issued share capital of Little Treasures Limited, a company limited by shares incorporated in England and Wales (company number 04029930). Its net assets totalled £399,910 as at 31 March 2019.

13 Debtors

	Group 2019 £	Group 2018 £	Association 2019 £	Association 2018 £
Rental income	29,199	-	29,199	18,642
Other debtors	59,926	-	1,888	270,311
Prepayments and accrued income	18,535	-	17,569	10,908
Intercompany	-	-	452,855	-
	<hr/>	<hr/>	<hr/>	<hr/>
	107,660	-	501,511	299,861
	<hr/>	<hr/>	<hr/>	<hr/>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

14 Property held as current asset

In 2018, the freehold property at Henwick Road was being marketed for sale. The property was revalued as at 31 March 2016 by Katherine Price (Msc MRICS) of Andrew Price Professional Services. The market value of £1,300,000 is included in the 2018 comparatives. The property was sold in the year under review.

15 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Association 2019 £	Association 2018 £
Bank loans and overdrafts	33,375	-	33,375	-
Trade creditors	50,081	-	38,046	49,662
Other taxes and social security costs	8,591	-	3,993	6,559
Owed to related undertakings	278,026	-	90,397	-
Accruals and deferred income	98,422	-	12,316	12,914
Other creditors	1,920	-	1,220	2,956
	<u>470,415</u>	<u>-</u>	<u>179,347</u>	<u>72,091</u>

Included in accruals and deferred income above is deferred income of £81,105 (2018: £8,216) and this is analysed below:

	£
Deferred income brought forward	8,216
Deferred during the year	72,889
	<u>81,105</u>

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

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

16 Movement in funds

	Balance at 1 April 2018 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2019 £
General fund	883,949	1,780,598	(1,136,077)	944,609	2,473,079
Revaluation reserve	944,609	-	-	(944,609)	-
Pension reserve	(91,731)	-	10,194	-	(81,537)
Total unrestricted funds	1,736,827	1,780,598	(1,125,883)	-	2,391,542
Restricted funds	-	-	-	-	-
Total restricted funds	-	-	-	-	-
Total funds	1,736,827	1,780,598	(1,125,883)	-	2,391,542

16a Movement in funds - prior year

	Balance at 1 April 2018 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2019 £
General fund	521,344	799,589	(622,433)	185,449	883,949
Revaluation reserve	944,609	-	-	-	944,609
Pension reserve	(98,954)	-	7,223	-	(91,731)
Total unrestricted funds	1,366,999	799,589	(615,210)	185,449	1,736,827
Restricted funds	-	-	-	-	-
Foyer Grants	82,286	-	-	(82,286)	-
National Lottery	103,163	-	-	(103,163)	-
Charities Board	-	-	-	-	-
Total restricted funds	185,449	-	-	(185,449)	-
Total funds	1,552,448	799,589	(615,210)	-	1,736,827

17 Analysis of net assets between funds

All assets and liabilities are allocated to unrestricted funds

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

18 Cash flows from operating activities

	2019 £	2018 £
Reconciliation to changes in resources		
Net movement in funds	654,715	184,379
Interest paid	(11,634)	-
Profit on disposal	(550,000)	-
Depreciation of tangible fixed assets	29,284	4,591
Amortisation	44,065	-
(Increase) / decrease in debtors	192,201	(81,008)
Decrease in stock	62	1,383
(Decrease) / increase in creditors	26,309	7,206
(Decrease)/increase in provisions	(10,194)	2,671
	<u>322,189</u>	<u>119,222</u>

19 Change in cash and cash equivalents

	2019 £	2018 £
Increase in cash in the period	1,595,729	119,167
	<u>1,595,729</u>	<u>119,167</u>
Movement in net funds		
Net funds at 1 April 2018	296,127	179,960
	<u>1,891,856</u>	<u>296,127</u>
Net funds at 31 March 2019	<u>1,891,856</u>	<u>296,127</u>

20 Analysis of net debt

	At 1 April 2018 £	Cash Flow £	Non-cash Changes £	At 31 March 2019 £
Cash at bank and in hand	296,127	1,595,729	-	1,891,856
	<u>296,127</u>	<u>1,595,729</u>	<u>-</u>	<u>1,891,856</u>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

21 Business combinations and goodwill

On 31/08/2018 Worcester YMCA acquired control of Little Treasures Limited for consideration of £892,912.

Recognised amounts of identifiable assets acquired and liabilities assumed	Book Value £	Fair Value £
Tangible fixed assets	826,899	826,899
Debtors	2,268	2,268
Cash at bank and in hand	<u>18,619</u>	<u>18,619</u>
Total assets	20,887	20,887
Due within one year	(395,526)	(369,163)
Due more than one year	-	-
Total identifiable net assets	452,260	452,260
Goodwill		440,652
Total purchase consideration		<u>892,912</u>

22 Provisions for liabilities and charges

	2019 £	2018 £
Pension liability (22a)	81,537	91,731
Deferred tax-accelerated capital allowances	2,000	-
	<u>83,537</u>	<u>91,731</u>

22a Pension costs

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

The most recent completed three year valuation was as at 1 May 2017. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 3.75% and 2.25% respectively, the increase in pensions in payment of 3.35% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.2 years, female 24.1 years, and 24.0 years for a male pensioner, female 26.0 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £141.2m. This represented 81% of the benefits that had accrued to members.

WORCESTER YMCA

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YEAR ENDED 31 MARCH 2019

22a Pension costs (continued)

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

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

The valuation prepared as at 1 May 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. Worcestershire YMCA has been advised that it will need to make monthly contributions of £1,022 from 1 May 2019. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years commencing 1st May 2019.

	Within 1 year £	One to two years £	Two to five years £	After five years £	After more than one year £	Total 2019 £	Total 2018 £
As at 31 March 2019	<u>10,192</u>	<u>10,192</u>	<u>30,577</u>	<u>30,576</u>	<u>71,347</u>	<u>81,537</u>	
As at 31 March 2018	<u>10,192</u>	<u>10,192</u>	<u>30,577</u>	<u>40,570</u>	<u>81,539</u>		<u>91,731</u>

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

YMCA contributory pension scheme

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

The total pension charge for the year is shown in note 8. The amount outstanding at the year-end was £1,864 (2018: £1,121).

23 Capital commitments

Capital expenditure contracted for but not provided in the accounts is £nil (2018: £nil).

24 Financial commitments

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

	2019 Other £	2018 Other £
Within one year	67,500	240
Within two to five years	-	2,595
	<hr/>	<hr/>

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
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25 Related Party Transactions

No members of the Board or other person related to the organisation had any personal interest in any contract or transaction entered into by the charitable company during the year (2016: nil).

During the year Worcester YMCA made loans and recharged expenses amounting to £356,586 to Worcestershire YMCA Limited during the year (2018: £112,854). Worcester YMCA was owed £90,587 (2018: £266,188) at the year end.

Little Treasurers Limited, subsidiary of Worcester YMCA made loans and recharged expenses amounting to £187,628. during the period £187,628 was owed at the year end. The movements relate to net cash movements during the year and the recharges noted above.

26 Ultimate controlling party

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

27 Taxation

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