

<b>Registered company:</b>	<b>4430743</b>
<b>Registered charity:</b>	<b>1102301</b>
<b>Registered housing provider:</b>	<b>H4418</b>

**ONE YMCA  
(LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

## REPORTS AND ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2018

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## CORPORATE INFORMATION

### TRUSTEE BOARD AND BOARD OFFICERS

<b>Chairman</b>	Andrew Newell
<b>Vice Chairman:</b>	Nicholas Mourant
<b>Treasurer:</b>	John Robinson
<b>Trustees:</b>	John Ball Max Beddard (appointed 15 March 2018) Simon Box (appointed 14 March 2018) Thomas Buffham (resigned 16 January 2018) Jane Cotton Robert Green (resigned 27 September 2017) Clare Hearnshaw Ben Johnson Nigel Johnson (resigned 27 September 2017) Nicola Lucas Nicholas Mourant Andrew Newell Christine Neyndorff John Robinson
<b>Company Secretary:</b>	David Martin

### CORPORATE INFORMATION

<b>Registered company:</b>	4430743
<b>Registered charity:</b>	1102301
<b>Registered housing provider:</b>	H4418
<b>Registered office:</b>	Charter House, Charter Place, Watford, Hertfordshire, WD17 2RT

### EXECUTIVE MANAGEMENT TEAM

<b>Chief Executive</b>	Guy Foxell
<b>Director of Resources</b>	David Martin
<b>Director of Housing</b>	Chris Ellison (from 16 April 2018) Lisa Purchase (from 16 May 2017 to 30 November 2017)
<b>Director of Enterprise</b>	Joanna Keay-Blyth
<b>Director of Family Services</b>	Serreta Pritchard (from 1 April 2018)

### AUDITORS, BANKERS, INVESTMENT MANAGER AND SOLICITORS

<b>Auditor (External)</b>	haysmacintyre, 10 Queen Street Place, London, EC4R 1AG
<b>Auditor (Internal)</b>	BDO (UK) LLP, 55 Baker Street, London, W1U 7EU
<b>Bankers:</b>	HSBC Plc, 44-52 Lattimore Road, St Albans, Hertfordshire, AL1 3XL
<b>Investment manager:</b>	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
<b>Solicitors:</b>	Bates Wells Braithwaite LLP, 10 Queen Street Place, London, EC4R 1BE

## OPERATING & FINANCIAL REVIEW AND STRATEGIC REPORT

### Introduction

The report and financial accounts for the year ended 31 March 2018 sets out the activities and achievements of the Charity.

### Principal Activity

The Group's principal activity is that of the provision of supported accommodation for single men and women who are in conditions of need. In addition, the Group continues to deliver services to people of all ages offering the opportunity to take part in: children's services, health and wellbeing and youth work.

The Group's mission is to enable people to develop their full potential in mind, body and spirit. The mission is inspired by, and faithful to, Christian values to create a supportive and energising community that is open to all, where young people can truly belong, contribute and thrive.

### BUSINESS AND FINANCIAL REVIEW

During the year, the Group has worked in a strategic manner in order to:

- Improve the value for money delivered by housing services,
- Deliver in the region of £5.7m savings to the public purse in Hertfordshire and add £3.1m in Social Value through its housing activities (based on Homelesslink report on YMCA impact and social value),
- Embrace strategic partnerships and collaborations using an opportunity and risk matrix,
- Strengthen staff and management teams to develop the organisation,
- Achieve Ofsted 'Outstanding' grading at Woodlands Day Nursery,
- Achieve Centre for Housing Support Service Excellence Standard,
- Expand its operations by acquiring the YMCA housing activities in Bishop's Stortford and Stevenage,
- Develop the foundations of Early Childhood Partnership and improve the impact delivered to local beneficiaries and the commissioning Council,
- Tender successfully for a contract to deliver Family Support Services to the East Quadrant of Hertfordshire,
- Make significant progress on the long-awaited Woodlands development,
- Exceed delivery targets for the Hertfordshire-wide Homeless Hub contract averting youth homelessness,
- Realise investment resources to facilitate the acquisition of the Bishop's Stortford and High Wycombe housing schemes,
- Prepare the Group for bank borrowing to enable the purchase of social housing assets,
- Release the Queensway House site which is no longer required for service delivery,
- Close the under-performing retail subsidiary so that it is dormant pending dissolution,
- Deliver savings and efficiencies.

The Trustee Board supports these measures and the way that they can maximise the resources available for delivering the Group's objectives and serving beneficiaries.

### Financial review

The Group returned an operating surplus on the Group's activities of £375,736 (2017: £298,806). This includes the closure costs relating to the retail and disposal of the unneeded Queensway House site.

A surplus of £413,784 (2017: £686,761) was recorded for the Group after taking into account a material increase in unrealised investment losses totalling £(323,170) (2017:£nil), offset with realised gains totalling £346,247 (2017: £370,220). Total comprehensive income for the year was £419,783 (2017: £701,761).

The variance between the two years on a consolidated basis is detailed in note 3 and relates to:

- Increased income from the Bishop's Stortford housing scheme coming into the Group on 30 October 2017;
- Increased income as a result of the first full year of Early Childhood Partnership operation;

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### **Report and financial statements for the year ended 31 March 2018**

- Savings on Housing catering operations following insourcing of the Watford operation;
- Deferral of a number of capital works and the associated depreciation savings;
- Closing all residual retail operations and concluding all matters;
- Investing £62k in professional costs to acquire the Bishop's Stortford and High Wycombe housing schemes;
- Committing £60k to the defined benefit pension scheme liability reduction project which, in partnership with the principal and a majority of associated employers, is seeking to reduce the overall buy-out cost for the scheme;
- A disappointing year on gym sales and membership at Abbots Langley and St Albans,
- Receiving investment dividend receipts to assist with the funding of youth work,
- Recognising market movements in the value of investment assets;
- Noting a downturn in youth fundraising;
- Releasing accumulated depreciation (non-cash impact) on Queensway House Hatfield given that this site was out of use pending completion of the lease assignment. This was achieved on 10 May 2018;
- Securing additional rent review income,
- Streamlining expenditure in services and supplies.

The Group has continued to invest in front line service delivery to serve some of the most vulnerable people in the local community.

During the 2017/18 financial year, the Trustee Board have focused the Executive on delivering performance improvement and the expansion of services.

- The housing operations have been positive where value for money continues to improve.
- The Day Nursery, Community activities and Children's Centres have performed very well in the year under review.
- There is still further work to be undertaken on Abbots Langley gym options appraisal.
- There are ongoing desires to support youth work and, in particular, activities that foster 'belonging' and 'contributing' as these are equally important to both the individuals who take part at the same time as helping prevent youth homelessness.

The expansion of services in relation to Bishop's Stortford, Homeless Hub and Children's Centres are covered in more detail in this report.

On an ongoing basis, the Trustee Board is committed to achieving a surplus operating budget. With regard to the 2018/19 financial year, a surplus budget was set.

#### **Value for money**

The Group's objective is to provide social housing accommodation and support services to meet the needs of its residents. The key driver is to achieve a balance between reasonable cost and good quality. Value for money means:

- Ensuring effective business planning by setting out at the beginning of each financial year what will be achieved with money prior to it being spent.
- Effectively managing performance to ensure that plans are delivered.

The Group measures its value for money in terms of cash and outputs / outcomes in various ways such as:

- Impact reports,
- External accreditation,
- Financial returns,
- Key performance indicators and benchmarking,
- Service quality,
- Social value benefits to individuals and communities,
- Savings to the public purse,
- Benefits to the organisation and its people.

The Group's value for money strategy is to:

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- Generate surpluses to maintain a viable organisation, fund the capital programme and to continue to provide and develop services for service users, both present and future;
- Ensure that high levels of service user satisfaction are achieved;
- Comply with its banking covenants;
- Live up to the Group’s values in the delivery of services and value.

As a registered provider of social housing, the value for money objectives over the next three years are to:

- Increase the value and effectiveness of the social housing services provided,
- Consistently deliver the funding framework to ensure that viable social and non-social housing activities are undertaken,
- Work in partnership with other housing providers to develop funding models, secure efficiencies and/or take on additional supported housing units under management agreements,
- Use volunteers to broaden the range of services available,
- In consultation with residents, improve housing services to meet their needs.

Over the last year, the Group has continued in its drive to deliver value for money. Activities that develop the effectiveness of the Group have embraced both governance and operational improvement, including:

Initiative	Status, saving or gain	Comments
<b>Social housing</b>		
Deliver the budget for social housing	£515k surplus (excl asset and pension project)	A 9.2% (2017: 7.5%) return was achieved which was in advance of budget. This was largely as a result of: a) New Bishop’s Stortford work from 30 October 2017, b) New Homeless Hub work from 1 April 2017, c) Catering insourcing savings, d) Staff vacancies, e) Deferrals within the capital programme and depreciation savings.
	£393k surplus	A 7.0% return after taking into account: a) Housing asset purchase professional fees and b) Pension liability reduction project.
Deliver good occupancy performance to maximise income and service delivery to beneficiaries	Improvement required in 2018/19	<p>Watford 2014/15 – 93.0% 2015/16 – 96.4% 2016/17 – 94.5% 2017/18 – 91.9%</p> <p>Welwyn Garden City 2014/15 – 96.5% 2015/16 – 96.8% 2016/17 – 94.5% 2017/18 – 93.5%</p> <p>High Wycombe 2016/17 – 93.8% 2017/18 – 96.8%</p> <p>Bishop’s Stortford 2017/18 – 100%</p> <p>Occupancy performance fell in Watford and Welwyn Garden City and is a priority for improvement in 2018/19.</p>
Manage the impact of welfare reform on bad debt (% of housing income not received)	Watford – deteriorated	<p>Watford 2014/15 – 6.5% 2015/16 – 5.0% 2016/17 – 5.6% 2017/18 – 5.9%</p>

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Initiative	Status, saving or gain	Comments
	<p>Welwyn Garden City – improved on prior years</p> <p>High Wycombe – broadly similar</p>	<p>Welwyn Garden City 2014/15 – 3.8% 2015/16 – 4.9% 2016/17 – 3.6% 2017/18 – 3.4%</p> <p>High Wycombe 2016/17 – 3.8% 2017/18 – 4.1%</p> <p>Bishop’s Stortford 2017/18 – 8% - 1<sup>st</sup> year of operation</p> <p>Rent collection performance is a priority for improvement in 2018/19.</p>
Implement Pyramid rent accounting and repairs monitoring and Inform at Bishop’s Stortford	Complete	The legacy systems that were inherited at Bishop’s Stortford needed to be upgraded and have been replaced with the Group’s standard systems.
Complete the harmonisation of housing operating procedures across all Hostels	Work in progress	A periodic review of working practices is taking place to ensure that best practice is consistent across the Group’s housing operations. This work is being led by the Director of Housing and Head of Housing. It will be tested through the BDO internal audit programme.
Undertake supplier reviews in order to reduce the number of suppliers and/or cost	Ongoing and cost savings are being achieved	<p>Supplier reviews continue to take place in Catering and Safety &amp; Compliance to:</p> <ul style="list-style-type: none"> <li>a) Reduce the number of suppliers, and</li> <li>b) Maintain value for money.</li> </ul> <p>The acquisition of Bishop’s Stortford and Stevenage housing operations has resulted in a number of corporate contractors being implemented with legacy arrangements being removed where better value could be achieved.</p>
Insource catering operations at Watford	Complete £120k saving achieved	The efficiency saving of £120k was secured as a result of insourcing the Watford catering service and redesigning service specifications. The number of suppliers has significantly fallen and better value is being achieved.
Use of the Pyramid housing repairs system to track work flow and target job completion	3,340 repairs completed 100% urgent repairs on time 96.4% of standard repairs on time	<p>The use of a single system to record and track repairs resulted in greater transparency on performance. Overall maintenance productivity is being reviewed on the basis of the KPI information.</p> <p>The repair completion rates have improved in 2017/18.</p> <p>The housing repairs system is used across the Group in order to apply a corporate solution.</p>
Secure new work to increase the units under management and spread overhead costs	£30k of new overhead recovery	The Bishop’s Stortford and Stevenage operations enable overheads to be spread. The new solution materially reduces the overall cost of service delivery as it is no longer operated as a separate charity. Savings relate to management, insurance and audit costs as well as overall resilience improvements.
	£28k of new overhead recovery	The Homeless Hub contract enables overheads to be spread.
Recruit a new Director of Housing to lead the Housing	Complete	<p>An Interim Director of Housing commenced work in April 2018. The priority work areas are:</p> <ul style="list-style-type: none"> <li>a) Performance improvement,</li> </ul>

Initiative	Status, saving or gain	Comments
Strategy and social housing performance		<p>b) Ensuring that Housing is "tender ready",</p> <p>c) Working on the Peartree feasibility study.</p> <p>A recruitment campaign for a permanent employee will take place in 2018.</p>
Financial modelling and stress testing	Complete	<p>Extensive financial modelling and stress testing was undertaken to facilitate the High Wycombe and Bishop's Stortford business cases to support:</p> <p>a) Acquisition decisions, and</p> <p>b) Mortgage applications.</p> <p>All were subjected to extensive trustee and bank scrutiny. Stress testing was applied to assess the risk appetite and tolerance for increase in costs and/or falling income. These models will continue to be reviewed in future periods with financial strategies.</p>
<b>Non-social housing</b>		
Generate a surplus on Abbots Langley nursery operations and contribute an overhead	£148k surplus £71k overhead	<p>Ofsted 'Outstanding' was achieved during the year which was an excellent achievement.</p> <p>The surplus improved to £148k (2017: £88k) as a result of good sales and customer service. Overall occupancy ran at 77.9% compared to a budget of 75.8%.</p>
Effective delivery of the Hertfordshire and Central Bedfordshire Children's Centre contracts	On track	<p>The contracts are operating well, delivering good services to beneficiaries and performing to budget.</p> <p>The new Hertfordshire East Quadrant contract is detailed in note 24.</p>
Deliver value for money at the orbital community centre	Good	Booking hours increased from 9,126 in 2016/17 to 9,967 in 2017/18. This enabled the delivery of 2,694 subsidised hours of use for community groups who need additional support.
Performance improvement of Watford Gym	£2k surplus	Hall and room hire income has performed well and a small surplus was achieved in line with expectations.
Performance improvement of St Albans Gym	£(10)k deficit	The £(10)k deficit was an improvement on 2016/17 where a £(21)k deficit was returned. The new MUGA surface is resulting in an increased booking rate. A return to a small surplus is the desired target for 2018/19.
Performance improvement of Abbots Langley Gym	£(65)k deficit	<p>The £(65)k deficit reveal the ongoing struggle with this operation where the overall deficit worsened by £10k. The historic results are:</p> <p>a) 2014/15 - £(7)k</p> <p>b) 2015/16 - £(26)k</p> <p>c) 2016/17 -£(55)k</p> <p>d) 2017/18 - £(65)k</p> <p>To ensure that the ongoing deficits are addressed, the Trustee Board has commissioned an options appraisal to determine what steps should be taken to limit or remove the ongoing financial risk associated with the Abbots Langley gym.</p>
Operate the Multi-use games area at Abbots Langley	Improvement required	The initial hire fees from the new MUGA facility have not met budget. This is being kept under close review to drive up revenue in 2018/19 to achieve a return on the £210k of capital investment made in the facility.
Complete the redevelopment of the Abbots Langley community building	Work in progress	Circa £370k of capital investment is being invested in the refurbishment of a building on the site to deliver new facilities. The site is due to open in July 2018 and it is planned that the activities will operate by way of underlease with rent payments being made to the Group.



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**Report and financial statements for the year ended 31 March 2018**

Initiative	Status, saving or gain	Comments
to create a new café and cycle hub		
Achieve £169k of fundraised income for youth work	£102k achieved	£102k (2017: £170k) was secured to support youth work for young beneficiaries. An improvement in youth fundraising is a priority for 2018/19.
Close the Retail operations and minimise loss	Complete	The retail subsidiary was closed during the year and all liabilities minimised. This prevents any further loss from the closed activities.
<b>Early Childhood Partnership</b>		
Deliver the budget for the Bedford Borough area	£2k surplus	The budget was delivered which maximised the deployment of financial resources for beneficiaries.
Deliver the Bedford Children's Centre contract to the required performance levels	Successfully delivering the contract	The children's centre contract is underpinned by a series of key performance indicators (KPI) sitting within four performance areas. These KPIs are regularly monitored by the Trustee Board, Advisory Board, Council and managers.
	Achieving performance	Activities are delivered in each centre as part of the termly timetable along with family support activities and home visiting. These activities interface with the KPIs and a simple performance management system of "plan, deliver, review and develop" means that good progress is being made to meet targets. The Data Officer, in partnership with the local authority, is now using the Children's Centre database to produce increasingly robust evidence of performance.
	Meeting the needs of beneficiaries	The use of Early Childhood Environment Rating Scale (ECERS) has made a significant improvement to the welcome each centre provides to its visiting families. Furthermore, the joint observations of activities have improved the quality of delivery. The Charity is moving towards increasing attendance to a minimum of 80% capacity at activities and in many cases have exceeded this.
	Expanding the reach of services	The Charity continues to focus on its success in engaging with priority or excluded groups and are increasingly able to use data to focus resources where they are most needed.
	Obtaining positive beneficiary feedback	A parent survey was carried out at the end of 2017 with positive feedback from a good response rate.
Achieve the Early Childhood Partnership contract key performance indicator requirements to the satisfaction of the commissioner	Successfully delivering the contract	Monitoring meetings with the local authority take place three times a year. These meetings form part of the annual conversation process. At the most recent one in May 2018, the summary feedback from Bedford Borough Council was extremely positive where it was noted that "Good progress has been made against the delivery plan targets and it was felt that we would now be confident to consider Bedford Borough Children's centres as Good."  Excellent performance on two incentivisation KPIs warranted additional income from the commissioner.
	Continuously planning for future improvements	There is clarity around the priority areas for development in the coming year. The Charity will be looking to compare its performance, particularly in relation to registration and seen figures, with a particular emphasis on targeted groups.
Service Delivery Plan	Adopting a	ECP has a self-evaluation form (SEF) which allows us to reflect on how well

Initiative	Status, saving or gain	Comments
established to improve delivery to beneficiaries	reflective practice to develop services	the Charity is meeting the required outcomes for families. It is used to evaluate strengths and identify areas for improvement. As of May 2018, the evaluation of the Charity's service is rated as good.
	Embracing effective planning	Linked with the SEF, there is a strong service delivery plan (SDP) in place which focuses on annual targets and breaks them down into a series of priority actions. The SDP is completed with input from a range of stakeholders and is considered by the ECP Advisory Board, the Trustees Board and at the monitoring meetings with Bedford Borough Council.
	Monitoring performance and progress	The SDP operates on a RAG system (red, amber, green); as of February 2018, 74% of actions were on schedule or completed. A priority for the coming year is to underline the links between the SDP actions and KPIs.
Operate the new Early Childhood Partnership Advisory Board arrangements as required by regulatory standards	Embracing accountability	The new Advisory Board was established under the chairmanship of an ECP Trustee. This involves: a) Main Advisory Board, b) Three sub-groups relating to areas of specialism A report on each of these priorities is taken three times a year to the monitoring meetings with Bedford Borough Council.
Releasing operational savings within Early Childhood Partnership to increase the workforce delivering front line services	Effectively managing partners SLAs	Regular contract monitoring meetings take place between the Charity's Partners and the Business Manager. Each partner reports back on the progress it is making towards meeting the service requirements of their service level agreement. This regular performance review is a key part of the Charity's objective of maximising the benefit of services to parents, prospective parents and young children.
	Additional two full time equivalent staff to the front line service delivery	As a result of discussions with Partners about the need to refocus some areas of spend to most closely match identified need, the Charity has been able to make some changes to SLAs for the 2018/19 year, re-profile budgets and take advantage of requests for flexible working to create two new children's centre practitioner workers. These appointments will allow the Charity to increase the number of universal activities its offers.
<b>Governance and support services</b>		
Achieve SafeContractor accreditation	Achieved by Parent Charity	The SafeContractor scheme is a nationally recognised accreditation for health and safety management. This has been obtained by the Charity and is an industry recognised badge of good practice. The Charity's health & safety arrangements flow through the Group's activities.
Develop ICT accreditation for information security	External accreditation	The Early Childhood Partnership subsidiary secured Cyber Essentials accreditation in May 2018. Work is ongoing to secure this on a Group basis alongside the ICT upgrade programme.
Undertake an ICT service contractor competition	Complete	A competition took place against a specification and a new contractor commenced work in April 2018. The transition programme runs to July 2018 and this work includes a number of technology upgrades.
Implement a new ICT Strategy	In place	A new ICT Strategy was approved by the Resources Committee in February 2018 and represents a significant investment in refreshing technologies as they best fit the Charity's needs. This incorporates embracing cloud and further information security modules. The ICT Strategy Work Programme is being reviewed on a periodic basis by the Resources and Audit & Risk Committees.

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Initiative	Status, saving or gain	Comments
Assess whether shared YMCA platforms provide good opportunities	Early stages	Work is at an early stage to assess whether a shared services company would be beneficial for YMCAs to work together with a view to increasing resilience and/or reducing cost. Discussions have started and will be progressed in 2018.
Implement a new general ledger system for financial management	Complete	The Sun financial management system was rolled out in 2017/18 on a group basis. The transferring balances were verified by the External Auditor in the autumn of 2017. The final year end position was subject to the statutory audit process. The implementation materially improved the resilience and capacity of financial reporting.
Undertake a governance internal audit	Complete	A governance internal audit was undertaken by BDO and a substantial assurance rating was achieved.
Scrutinise electronic payments via internal audit	Complete	A full review of expenditure was undertaken by BDO using data analysis methods to ensure that probity and good order. This reviewed every individual payment made. A positive assurance rating was obtained.
Undertake benchmarking on financial matters	Comparing performance	The Parent Charity participated in the Charity Finance Group's Finance Count benchmarking initiative.
	Performing well	On a Group basis, the following results were returned from the benchmarking exercise <ul style="list-style-type: none"> <li>a) Staff costs per purchase invoice received £4.27 (compared to the average of £5.67),</li> <li>b) Average invoices per FTE of 6,818 (compared to the average of 4,837),</li> <li>c) Percentage of payments made by BACS or DD of 100% (compared to the average of 98.7%),</li> <li>d) Ratio of group employees to finance employees – 33.7FTE (compared to 24.0 FTE),</li> <li>e) Number of months between year end and reporting of 16 weeks (compared to the average of 20 weeks).</li> </ul>
	Developing for the future	Electronic ordering, commitments and invoicing system to go live in Summer of 2018 which will automate a number of manual processes.
Undertake benchmarking on people matters	Comparing performance	The Group participated in the Charity Finance Group's People Count benchmarking initiative.  The principal area for work in 2018 and 2019 relates to settling staff teams and reducing the churn rate. An improvement is envisaged to: <ul style="list-style-type: none"> <li>a) Increase morale and productivity,</li> <li>b) Reduce recruitment expenditure,</li> <li>c) Take a longer term approach to training and development.</li> </ul>
	Equal pay compliance	The Group's job evaluation process is settled and delivers full compliance with equal pay requirements.  The adoption of the Living Wage Foundation hourly rate as the minimum remuneration is in advance of many comparators.  The Board considered gender pay gap compliance and this is detailed in the Trustee's Report.
	Developing for the future	An area for review in 2018/19 relates to payroll transactional costs to establish its comparability from a benchmarking perspective. The service is currently outsourced to provide greater resilience and compliance.

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The Group's on-going commitment to value for money and continuous improvement will remain a key priority given the challenges to income streams that every social housing provider faces and the need to keep service users at the heart of decision making. Specific on-going activities will include:

- Performance managing outcomes and costs,
- Responding to service user needs,
- Maintaining a high social housing occupancy with good rent collection levels,
- Responding to commissioner funding decisions,
- Investing in the culture and values to maximise the Group's potential, value for money and continuous improvement.

In conjunction with the Group's strategic objectives, the 2018/19 value for money approach will provide the foundation for continuous improvement and efficiency developments.

#### External Influences

As a diverse charity delivering community services, the Group is influenced by Government policies towards social housing, welfare and voluntary sectors. It is regulated by the Regulator of Social Housing which takes precedence for all areas of its operation over the Charity Commission which monitors its charitable activity. The Trustee Board has agreed its strategic objectives with a view to maintaining the financial health, on-going relevance and viability of each area of its activities as well as ensuring the Group's community impact.

#### Objectives and Strategy

The charitable objects of the Group arise from its acceptance of the Basis of Union of the YMCA of England, Ireland and Wales, adopted by the British YMCA Assembly held in Birmingham in 1973, which are:

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

Various strategies are employed to achieve the charity's objectives within service areas of:

- Accommodation,
- Health and wellbeing,
- Family work,
- Support and advice,
- Training and education.

#### Achievements and performance

In relation to the following strategic objectives, the Group has made a positive impact upon many lives during the year.

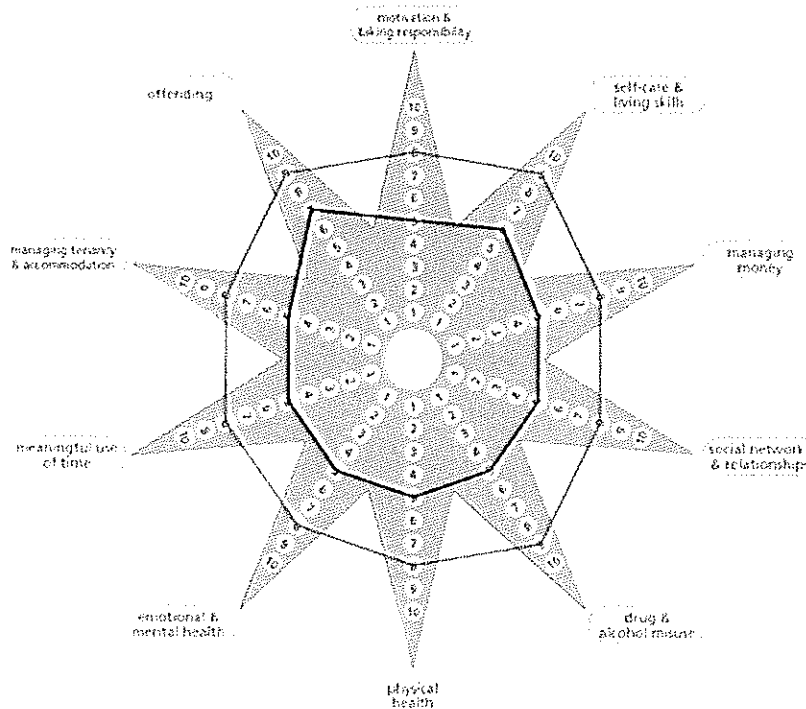
##### Accommodation

- Commissioning a housing impact report in partnership with Homeless Link to measure the work of the Group to beneficiaries.
- Offering 146,356 nights of accommodation over the last 12 months.
- 636 people housed over the last 12 months.
- If the housing service had not been available, it is considered that the following would have occurred:
  - 279 would have ended up homeless,

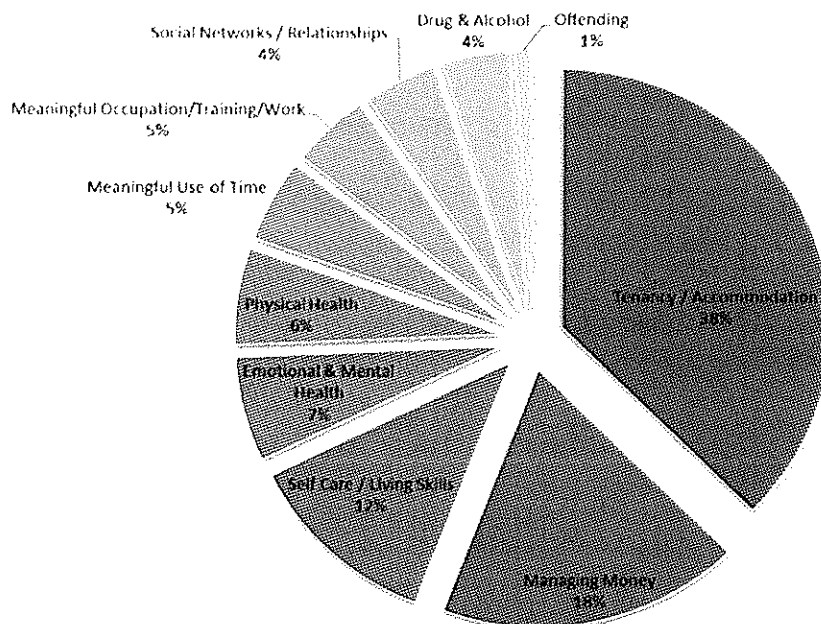
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- 1 would have remained in psychiatric inpatient care,
- 22 would have been placed or remained in registered care,
- 2 would have remained in foster care,
- 225 would have ended up in some form of alternative housing but without access to the support required.
- The total cost of these consequences would have been in the order of £5.7m to the public purse amounting to a cost of £9k per person.
- Over the course of the last 12 months, the Group has helped the following people to achieve goals:
  - 76 people were helped to move off the streets into YMCA temporary accommodation. Of these, 25 were then helped to move into settled housing.
  - A further 216 people were helped to move on from YMCA accommodation into their own settled housing.
  - The accumulated social value from these activities is considered to be in the region of £3.1m with a social value per head of £5k.
- The Group continue to use the Inform system for client support purposes which provides an invaluable insight into progress made.
- The following diagram shows the average journey of change for all residents over the last twelve months (moving from blue to red). It shows a significant uplift in residents' journeys towards confidence, skills, positive behaviours and, ultimately, independent living.



- The work with residents is also tracked by reviewing the records of over 70,000 meaningful contacts over the last twelve months. As the pie chart shows, the vast majority of work relates to accommodation and money. However, there is an increasing prevalence of emotional and mental health issues arising which is a concern for society as a whole.



Health and wellbeing

- Facilitated 84,487 separate fitness sessions.
- Delivering 304 sessions for people with disabilities giving access to sport and dance.
- Macmillan Move More Project has supported 452 service users comprising 172 male and 280 female beneficiaries.
- Gymnastics at Watford ran 740 sessions over the year. The club’s membership is now running at 400 members.
- Fit For Life (FFL) – 400 FFL sessions delivered over the three gym sites.

Family work

- Nursery
  - An occupancy of 77.9% was returned.
  - Ofsted outstanding was achieved during the year.
  - Supported 759 hours of free childcare.
- Children’s Centres
  - Flitwick
    - Working in partnership with the new Public Health Nurses offering advice and support around, Toileting, Health Promotion and Sleep
    - Working in partnership with Department for Work and Pensions to offer drop in clinics once a month helping families with returning to work, and education and benefits advice.
    - Partnerships with a local school in a specific targeted area offering Forest School sessions, attendance at open days and parents evenings etc.
  - Royston & Buntingford
    - A new evolving partnership with three local GP’s.
    - Monthly free of charge advice sessions provided by solicitors
    - Links with safer places who are facilitating the triple RRR programme for victims of domestic abuse
    - Bumps and babies café run in conjunction with the community midwife team.
    - Consistently high data which puts the group in the outstanding bracket.
    - Bramble Hill CC had the highest Early Years Foundation Stage data across the whole of Hertfordshire in 2016/17
    - Door knocking on isolated families in the community ensures there are no barriers for families to access support.
    - 2 year funding data was the 2nd highest in Hertfordshire in 2017
    - Partnership with the homeless hostel has enabled transient families to settle quickly into the area and there needs are appropriately meet.

## ONE YMCA

### Report and financial statements for the year ended 31 March 2018

- A qualified councillor now offers 121 counselling for the families with in the area.
- Dunstable South
  - Have built a positive relationship with all professionals that work with families in the most deprived area. Professionals such as police, schools, health and social care meet on a monthly basis to share information to support and protect the families within the community.
  - Special events such as the Easter Egg Hunt and Spring Watch Nature trail were over subscribed with over a 100 under 8's attending. All enjoyed their Easter bonnet making and planting seeds and making bird feeders.
  - Holding the second all day Birth, Bumps and Baby stuff, a programme for expectant parents. Both have been fully booked with 32 attendees and we are now seeing the new arrivals attend the centre with their parents and enjoying the different programmes that Dunstable South Children's Centre has to offer.

#### Health & safety

- Completed fire safety reviews of all housing sites which included full compartmentation surveys to ensure continuous improvement on fire safety.
- Achieved Safe Contractor accreditation.
- Added additional safeguarding and GDPR courses through the online training system.
- A total number of 3,344 repairs were completed across all sites of which 97.6% were completed within the allocated time scale.
- Average time to complete emergency orders was 1.59 hours.

#### Chaplaincy

- Expanding the programmes operated by the Chaplaincy by achieving a substantial increase in the number of volunteers hours to 1,554 (an increase of 739 on the previous year) which has, in addition to the regular weekly sessions of job club, bistro, football and spiritual exploration, assisted in facilitating the development of the Resettlement Service through:
  - 93 sessions of 1:2:1 support to prepare for move-out,
  - Post move-on support to help tenancy sustainment via 452 phone calls, 54 home visits.

Individual services operate differently because of the various regulatory and monitoring frameworks that are in place to accord to standards set by the Regulator of Social Housing, Charity Commission and Ofsted. Key performance indicators tend to be set within contracts agreed with commissioners such as County/unitary Councils (Housing Related Support, Family Support Centres, Children's Centres), Local Councils and other funders/franchise managers (Trusts & Foundations etc.). Performance against these is monitored on a regular basis.

#### **Accreditations**

The Group continues to work hard to secure and maintain accreditations that reflect the quality, compliance and impact of work undertaken. These currently embrace:

- a) Investors in People – Bronze,
- b) Ofsted – Outstanding – for Charters Nursery, Abbots Langley,
- c) Centre for Housing Support – Service Excellence Standards,
- d) Safecontractor - Charity,
- e) Cyber Essentials – Early Childhood Partnership,
- f) Fundraising Regulator.

The Group will continue to seek accreditations where it is in the best interests of the charity and its beneficiaries to do so.

#### **Strategic developments on new activities**

The Group has worked hard on strategic partnerships during the year in order to introduce new areas of work that will expand the delivery of services to beneficiaries. This has resulted in welcoming the YMCA housing operations in Bishop's Stortford and Stevenage into the Group's management. A significant investment in time and capacity was made to develop the people who work at Bishop's Stortford and deliver new systems,

## ONE YMCA

### Report and financial statements for the year ended 31 March 2018

infrastructure and improved property legislative compliance. This will provide firm foundations for future development, performance and compliance.

The Group has been successful in its work through its Early Childhood Partnership subsidiary. The Partnership has operated the Bedford Borough children's centre contract since 1 September 2016 and is now operating on a business as usual basis. The Partnership continues to receive very positive feedback from the Commissioning Council and has been able to recycle operational savings into further front line staff to grow beneficiary services.

The partnership with Herts Young Homeless to deliver the 16-25 housing advice and information service went live on 1 April 2017. A new multi-agency impact group is working here to track progress.

The Group has had further material published in the charity press on 'assessing strategic opportunities' and 'questions for trustees considering merger'. The trustee decisions to acquire the Bishop's Stortford and High Wycombe sites utilised these models as a means of establishing whether the projects were in the best interests of the charity.

#### Looking to the future

The Group is committed to developing a strong and vibrant organisation in order to serve its residents, beneficiaries and the local community. In doing so, it will:

- Migrate the High Wycombe operations away from the management agreement basis of operation into direct control (the land purchase was completed on 1 June 2018),
- Develop existing service delivery,
- Build upon the foundations established in the merger to attract new business in areas of strength,
- Improve value for money,
- Competitively bid for local authority commissioned service delivery contracts,
- Widen the breadth and strength of income streams,
- Undertake an options appraisal on the Abbots Langley gym operation,
- Develop the Peartree, Welwyn Garden City options appraisal for a future housing scheme,
- Effective marketing plans to drive up customer sales, retention and income levels,
- Submit more fundraising bids,
- Develop youth work,
- Challenge expenditure levels,
- Ensure that all service areas are exceeding performance targets.

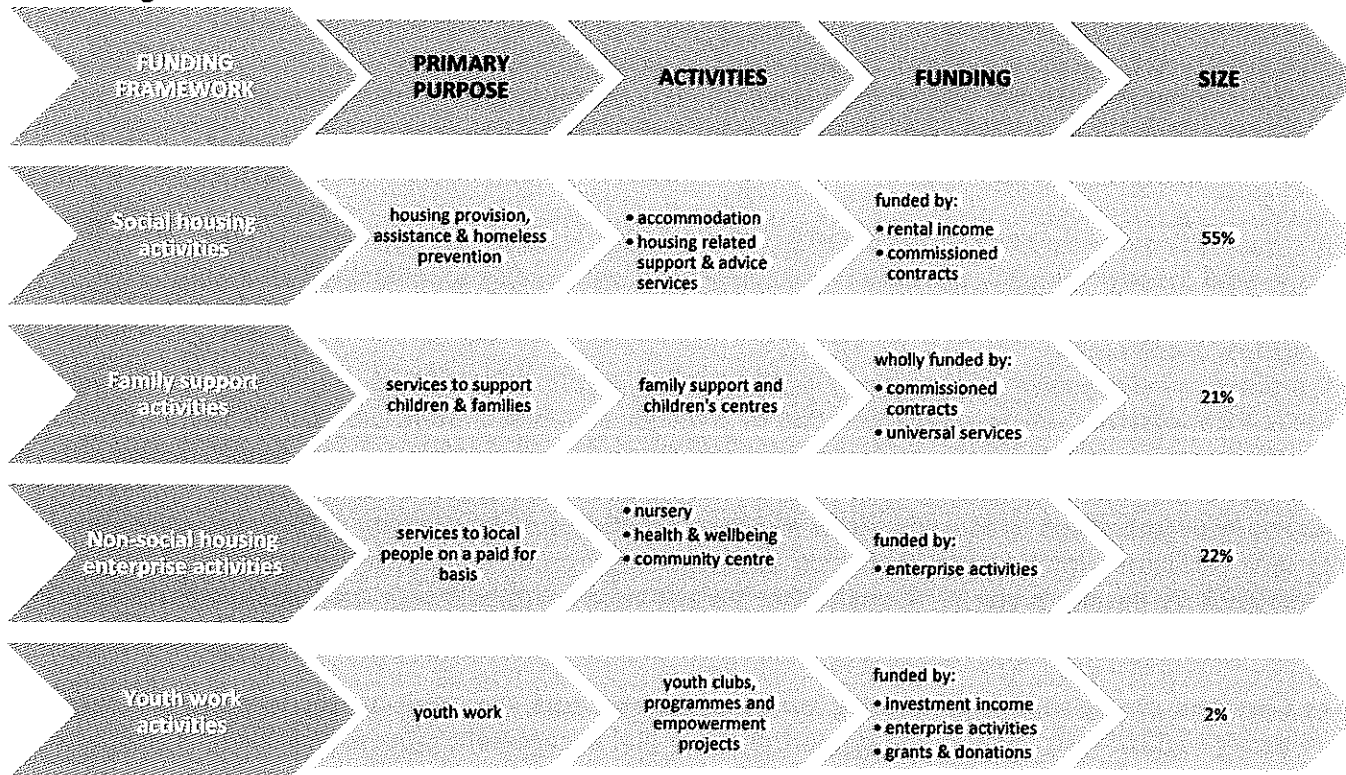
As reported in Note 24, the Group was successful in securing the East Quadrant contract for family support services in Hertfordshire. A small part of the service transferred on 1 April 2018, but the majority of the work migrates on 1 October 2018. This is a six year contract and has the potential to materially increase the Group's impact. The transition and mobilisation project is significant and will utilise considerable resources throughout 2018 and into 2019. The Group is committed to an effective and sustainable mobilisation to safeguard the best interests of beneficiaries.

The Group has continued to adopt the framework for delivering services so that both social housing and non-social housing activities are kept in balance. The funding framework diagram set out below details the various components.

Youth work activities are a vital contribution to vibrant and sustainable communities. They provide a sense of belonging for the young people who take part as well as help to reduce the risk of family breakdown and/or youth homelessness. Youth work is a core part of the Group's activities and is ancillary to social housing objectives. The size of the programme alongside its potential expansion does not pose any risk to social housing activities.



### The funding framework



With regard to the funding framework:

- The model for social housing activities is established and operates well;
- The model for family support activities is wholly funded and is backed by commissioned contract income;
- The model for non-social housing enterprise activities is developing with a view to contributing to youth work funding. Investment income, Abbots Langley Nursery and the Community Centre are performing very well.
- The budget gym activities under-perform and return losses particularly at the Abbots Langley site. The Trustee Board have commissioned an options appraisal of this operation.

The Group has now exited the retail fundraising space through to a managed conclusion. The retail subsidiary is now dormant and will be dissolved.

The Group is committed to solid financial planning and setting surplus budgets to ensure that activities are sustainable and will actively serve beneficiaries in the medium to long term. The Company will invest in new social housing services where it is prudent to do so. Furthermore, it will take steps in the event that any services suffer from economic, social or market downturns.

### Future funding of social housing

In December 2016, the Group adopted a new Housing Strategy 2016-21 so that it ensured that there was a clear trajectory in place to face the future. The Strategy has four themes which are:

- Invest in the growth and impact of our people,
- Develop the way we work,
- Work with others to change things for the better,
- Use our asset effectively.

Good progress has been made against the Work Programme and it is due for its mid-point refresh in September 2018. The Resources Committee has continued to track and monitor Housing Strategy work given that it is at the core of the Group's operations.

## **ONE YMCA**

### **Report and financial statements for the year ended 31 March 2018**

The government debate on the future funding of social housing continues and is appropriately reflected on the Group's strategic risk register. The Housing service is preparing for the re-commissioning of Supporting People services in Hertfordshire and the likely need to deliver further value for money savings. The Group will continue to proactively work with YMCA England's national policy team who have made a positive impact in its liaison and lobbying of Government. YMCA England's work in this area has delivered important results that reflect the specialist nature of single homeless accommodation services.

The feasibility study on the Peartree, Welwyn Garden City, development will be based upon a 'no revenue grant' basis in order to manage the future risks associated with funding social and supported housing.

#### **Residents' involvement**

The Group actively encourages Residents' involvement in decision making by holding Residents' Committee / Focus Meetings that are regularly attended by a senior member of staff with day to day support being provided through the Chaplaincy and support programmes. These meetings are venues for reviewing service improvements, matters impacting upon social housing and monitoring the services delivered. The feedback of former Residents allows us to gain insights into their experience of staying with us, coupled with liaison with current Residents which assists in shaping ideas and suggestions to positively enhance and improve the experience for Residents staying at the YMCA. An exit interview is held with vacating Residents where they are encouraged to give feedback on their stay.

As a provider of single homeless housing related support services, the Group actively engages with Residents on a very regular basis through the support planning and engagement process. This extends into move on sustainment and Chaplaincy support.

The Chaplaincy Team has been very successful in attracting new volunteers to assist with value adding Housing activities. The Trustee Board place on record its gratitude to all those who assist the YMCA in a voluntary capacity and live out their Christian mission by helping other people.

#### **Risks and uncertainties**

Risks that may prevent the Group achieving its objectives are considered and reviewed by the Trustee Board, Audit & Risk Committee and Executive Management Team on a periodic basis as part of the corporate planning processes. The risks are recorded and assessed in terms of their impact and probability. Major risks, presenting the greatest threats to the Company are reported to Trustee Board every six months. The strategic risk register is reviewed at every Audit & Risk Committee meeting. In addition, people related risks are reviewed by the Governance & People Committee every six months. The Group's major risks relate to:

- Loss of income and/or contracts,
- Safeguarding / service user reputational incident,
- Executive capacity,
- Fraud and theft,
- Material increase in legacy pension scheme deficit payments.

The principal risk relates to loss of income and/or contracts. Whilst the Audit & Risk Committee reviews controls and standards, the Resources Committee proactively monitors and challenges the financial and service performance of the Group.

On an annual basis, the Group reviews its key policies and controls frameworks. These included the financial regulations as well as the Code of Governance, committee terms of reference, code of conduct, safeguarding, fraud, whistleblowing, health & safety, equal opportunities and risk management policies. The next review is scheduled for November 2018.

The risk management and internal controls arrangements are described in more detail in the Report of the Trustee Board on page 25.

**ONE YMCA**

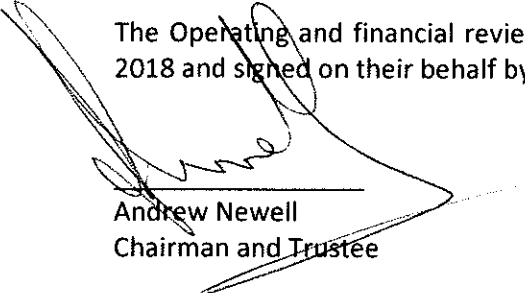
**Report and financial statements for the year ended 31 March 2018**

**Borrowings**

At year end, the Group had long term borrowings of £400,571 (2017: £420,815) which are secured against an income generating asset: two of the supported housing hostels. The post balance sheet event set out in note 24 details the acquisition of the High Wycombe housing site which was supported with new bank borrowings.

In approving the Operating and financial review, the Trustees are also approving the Strategic Report in their capacity as directors of the Group.

The Operating and financial review and the strategic report were approved by the Trustee Board on 24 July 2018 and signed on their behalf by:



Andrew Newell  
Chairman and Trustee

## **REPORT OF THE TRUSTEE BOARD**

The Trustee Board presents its annual report together with the audited financial statements the year ended 31 March 2018.

### **Organisation**

The Group operates out of a number of centres across Hertfordshire, Bedfordshire and Buckinghamshire.

The Company is structured by department according to the main service delivery areas which include:

- Accommodation,
- Health and wellbeing,
- Family work (nursery and children's centres),
- Support and advice (youth work and community centre),
- Support services (including finance, human resources, property & safety and ICT).

The Executive Team consists of the Chief Executive and Executive Directors who report to the Trustee Board and the relevant sub committees covering the main functions.

The national structure of the YMCA Federation allows for further support and, in particular, national policy development.

### **Trustee Board**

The Trustee Board is responsible for the overall governance of the Group. Those who have served during the year are set out on page 3. They hold a dual role of being trustees of a registered charity as well as being directors for the purposes of the Companies Act.

In accordance with the Articles of Association, Trustees serve for a three year term. At every Annual General Meeting, a number of the members of the Trustee Board retire from office on a rotational basis. The members of the Trustee Board to retire are those who have been longest in office since their last election or appointment. A retiring member of the Trustee Board shall be eligible for re-election for a second and third full-term, but then having served a third term, must stand down as an elected member for a period of one year. Trustees can only serve for a maximum of nine years.

During the period since the last report, Max Beddard and Simon Box were welcomed as new trustees. Also, Bob Green, Nigel Johnson and Tom Buffham stood down as Trustees. The Trustee Board undertook a board effectiveness review which was externally facilitated by Cass Business School's Centre for Charity Effectiveness. The key recommendations of this exercise were taken forward. A Trustee Board Chair review and feedback process was facilitated by the Chair of the Governance & People Committee. Furthermore, the Chair held one to one meetings with all trustees during the spring of 2018.

### **Strategic management**

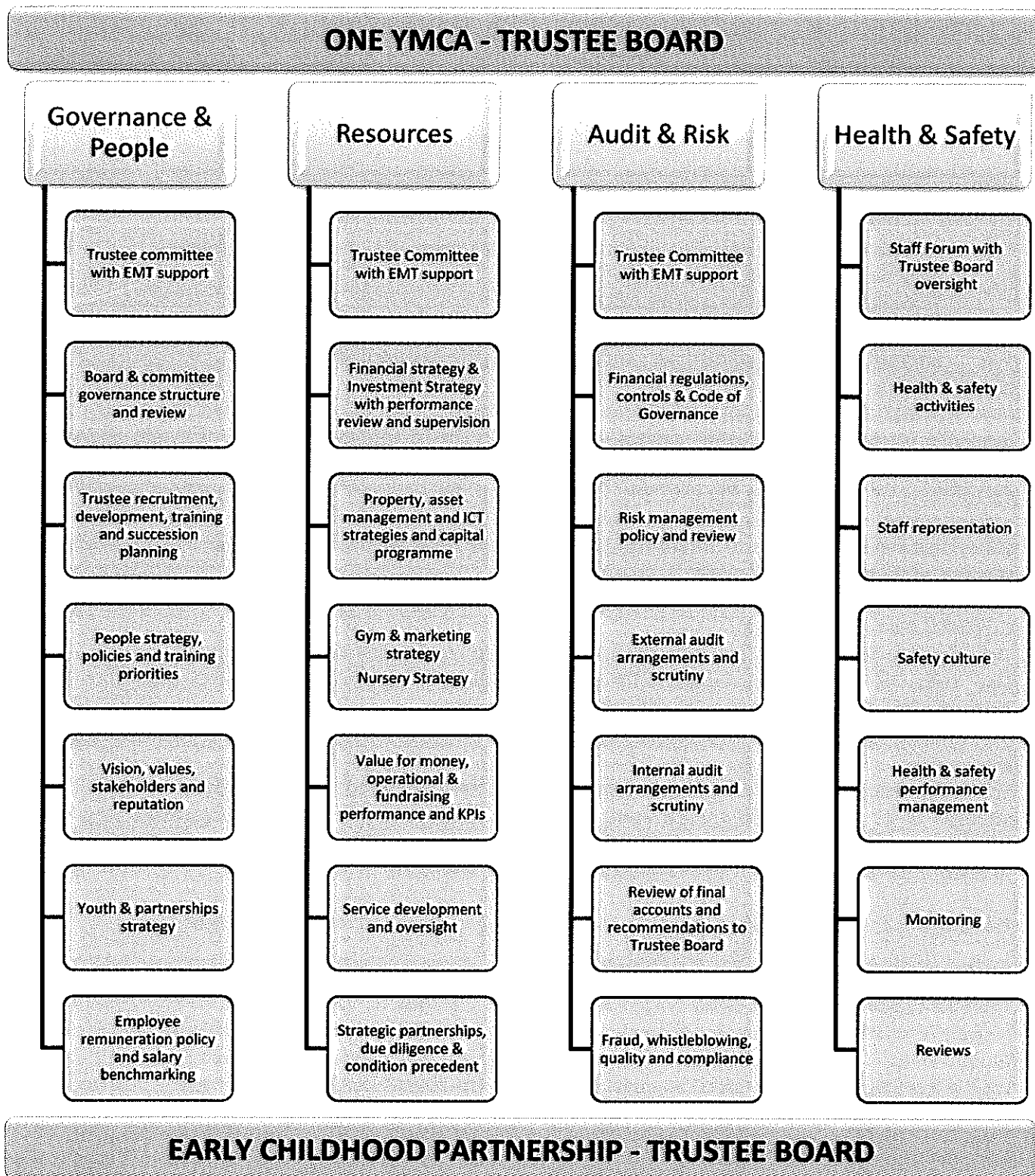
The Trustee Board is responsible for setting an appropriate strategy for the Group. It also ensures that relevant performance measures are in place.

During the year, the Trustee Board:

- Held two strategy away meetings to facilitate the youth work vision and board effectiveness review,
- Reviewed terms of reference for the Trustee Board, Retail Board and all committees,
- Reviewed the Code of Governance compliance arrangements,
- Reviewed its key policies along with its financial, investment and people strategies,
- Undertook succession planning work with regard to both the Trustee Board itself and in respect of key staff,
- Ensured that group policies and control frameworks such as financial regulations applied on a group basis.

The Trustee Board is represented on the Early Childhood Partnership Trustee Board.

The Trustee Board utilises a committee structure to undertake some of the detailed work of supervising the activities of the Group in between Trustee Board meetings. The structure is set out in the following matrix.



Each committee reports its progress to the Trustee Board on a regular basis and has established terms of reference.

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### Report and financial statements for the year ended 31 March 2018

As at 31 March 2018, the membership of each committee was as follows:

Governance & People	Resources	Audit & Risk	Health & Safety
Jane Cotton (Chair)	John Robinson (Chair)	Nick Mourant (Chair)	Ben Johnson
Nicola Lucas	Nick Mourant	John Robinson	Company Secretary (Chair)
Christine Neyndorff	Ben Johnson	Max Beddard	Executive team
Clare Hearnshaw	John Ball		Service representatives
	Simon Box		

Changes made following the end of the financial year will be reported in future reports.

#### Recruitment of members of the Trustee Board

Members of the Trustee Board are recruited by diverse means with sources including:

- Trustee recruitment exercises via national voluntary press and volunteering websites,
- Recommendation from partner organisations,
- From organisations with which it interacts,
- Stakeholders in the various activities,
- Contacts made by staff members and members of the Trustee Board.

New Trustees are inducted into the Group using an agreed framework and ongoing training is provided through a combination of: trustee updates, attendance at charity conferences / training events and bespoke training. A number of the Trustees also serve, or have served as Trustees of other charities and housing associations which broadens the available skills base and the exposure to training and best practice of the social housing and charity sectors. The Governance & People Committee regularly reviews existing trustee skills matrix and looks towards future needs. The present areas for trustee recruitment relate to children's services, safeguarding and housing.

#### Executive Management Team

The Executive Management Team are the senior staff that manage the Group's operations and comprise the Chief Executive who is supported by the Director of Resources, Director of Housing and Director of Enterprise. They act within the authority delegated by the Trustee Board.

#### Employees

The Group recognises the strength of its employees who are committed to the objectives that serve the best interests of its residents and service users. The Group shares information on its objectives, progress and activities through regular management and staff departmental meetings. In addition, roadshows are utilised to celebrate success, generate ideas and positively engage with staff.

The Group is committed to equal opportunities both in recruitment and retention of employees.

#### Gender pay reporting

The Charity has adopted the Living Wage Foundation's Living Wage as the baseline for its employees who are engaged on a permanent contract of employment and are not apprentices or retained under TUPE provisions. Moreover, for many years, the Charity has utilised an established job evaluation scheme to ensure that all job roles are properly assessed against an equal pay criteria. The overall workforce gender split is 69% female and 31% male.

The new gender pay reporting principles demonstrate the following position as a snapshot on 5 April 2017 was:

- Mean gender pay gap – 14%
- Median gender pay gap – 16%
- Mean bonus gender pay gap – Nil
- Median bonus gender pay gap – Nil

## **ONE YMCA**

### **Report and financial statements for the year ended 31 March 2018**

- Proportion of males receiving a bonus payment - Nil
- Proportion of females receiving a bonus payment – Nil
- Proportion of males and females in each quartile pay band – Quartile 1 – 14% male & 86% female; Quartile 2 – 22% male & 78% female; Quartile 3 – 44% male and 56% female and Quartile 4 – 32% male and 68% female

As at the date of this report, the Charity's management arrangements were 60% male and 40% female at an Executive level.

#### **Compliance with taxation**

The Group is committed to conducting its business with the utmost integrity, transparency and fairness, and in compliance with all relevant rules, regulations and legislation. It values its reputation for ethical behaviour, financial probity and, as a charity, it unequivocally condemns tax evasion in whatever form. The Group will not tolerate tax evasion, or the facilitation thereof, whether committed by or facilitated by staff, suppliers or funders. Moreover, the Group requires all staff to demonstrate the highest standards of honesty at all times and appropriate disciplinary action will be taken wherever tax evasion, or the facilitation thereof, has been proven.

The Group will not engage with any individual or business that does not share our commitment to the prevention of tax evasion. In pursuance of its general obligations, the Group will undertake due diligence on its suppliers to mitigate the risk of facilitation of tax evasion offences and will look to terminate any agreements with suppliers that are not committed to preventing facilitation of tax evasion in compliance with the Criminal Finances Act 2017.

#### **Information security**

The Company is committed to information security and continues to promote good and appropriate collection and use of data and information. The Company has invested in staff training, new technology and uplifted its working practices. The Company was pleased that its Early Childhood Partnership subsidiary achieved Cyber Essentials accreditation in May 2018. Information security is incorporated into the Company's internal audit rolling programme.

#### **Indemnity insurance**

The Group's insurance policies indemnify the Trustee Board and Officers against liability when acting for the Group providing their actions are not reckless or fraudulent.

#### **Health and Safety**

The Trustees are aware of their responsibilities on all matters relating to health and safety. The Group has prepared detailed health and safety policies and provides staff training and education on health and safety matters. During the year, the health and safety committee met on four occasions comprising of representatives of all service areas and the meetings were chaired by the Director of Resources & Company Secretary.

In the course of the year:

- a) Safecontractor accreditation was achieved which provides an external assurance with regard to health & safety arrangements.
- b) In-depth work has been undertaken on housing fire safety to ensure that the Company is best prepared to deal with the issues flowing from the tragic events at Grenfell Tower.

#### **Creditors' payments**

The Group's aim is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

#### **Investment powers**

In accordance with the Articles of Association, the Trustee Board may exercise the power to delegate to any person, company or other organisation any of the Group's powers of investment, administration or management of all or any part of the money and investments of the Group. Accordingly, the funds held as

## ONE YMCA

### Report and financial statements for the year ended 31 March 2018

investments by the Group were managed on behalf of the Trustees by CCLA Investment Management Ltd. The Group has continued to adopt a conservative investment policy that seeks to balance capital preservation and achieving an appropriate return. The cyclical Investment Strategy review process was completed in May 2018.

#### Public Benefit

The Trustee Board held service users at the heart of its approach to formulating the strategic objectives and associated strategies. In doing so, the Trustee Board referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning for the future. Through the work that the Group undertakes in its service areas, it delivers public benefit and serves a wide range of people, many of whom are vulnerable.

#### Complaints

Our clear and simple complaints policy is issued to all residents and service users. All complaints received are reported to the Supporting People Team and monitored by the Chief Executive to help ensure an appropriate and timely resolution and also to help identify any recurring issues that may require a different approach.

#### Donations

During the year, the Group made a donation of £20,000 (2017: nil) to Y:Care International (the YMCA federations international development charity) on a restricted fund basis to promote some overseas youth and community activities.

#### Going Concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Trustees' Report. On this basis, the Trustee Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

#### Reserves Policy

Reserves that are unrestricted funds held by the Group should be sufficient to meet all payment obligations and to contribute to the Group fulfilling its aims and purposes. The target level of free reserves is determined annually, by the Trustees upon recommendation from the Resources Committee and must reflect the overall objectives of the Group's Financial Strategy and other plans.

The Trustees consider that the unrestricted funds should be classified into two categories:

- Unrestricted funds for earmarked projects, objectives and risks, and;
- Unrestricted funds that are free reserves held to cover working balances and payment obligations.

The reserves as at 31 March 2018 were as follows:

<u>Reserves</u>	<u>£</u>
Housing property revaluation reserve	5,578,645
Revenue reserve	7,770,868
<b>Total unrestricted funds (revenue reserve)</b>	<b><u>£13,349,513</u></b>

When taking these reserves into account, the revaluation reserve relates to accounting adjustments which are not cash based. The revenue reserve amounted to £7,770,868 of which free reserves total £3,565,365. This figure is higher than last year and is due to holding higher levels of cash for capital commitments at High Wycombe and Abbots Langley.



In determining the level of unrestricted funds held as free reserves to cover working balances and payment obligations without any designation or subject to earmarking for particular purposes, the Trustees have taken into account the following matters:

- Six months of salary and running costs are approximately £4.5 million, and
- Business interruption insurance cover is in place with a two year indemnity period.

Accordingly, the Trustees consider it prudent to retain working balances of £2.0 million in cash and/or unit trust investments that are not designated or earmarked in order to meet unforeseen risks or obligations. The Trustees are content with the current level of reserves.

### **Risk Management**

The Audit & Risk Committee has delegated authority from the Trustee Board to ensure that an active risk management process is in place and forms part of the ongoing organisational activity. During the year, the Trustees reviewed its risk management policy along with its strategic risk register. The register identifies the types of risks the Group faces and prioritises them in terms of potential impact and likelihood of occurrence. The strategic risk register is a standing item at each Audit & Risk Committee and the Trustee Board reviews the strategic risks on a regular basis. The Trustees are satisfied that the Group's internal financial controls comply in all material respects with the guidelines issued by the Charity Commission and Regulator for Social Housing and has established a separate internal audit function (carried out by an independent internal audit firm) to review risks on a rotational basis. The principal risk affecting the Group continues to be the uncertain external economic environment that could adversely affect income. The Trustees confirm that they have identified and understand the risks to which the Group is subject and that they are being actively managed.

During the year, the Trustees have undertaken a financial strategy review, considered various operating and stress testing scenarios as detailed in the strategic report. These are reviewed on a periodic basis as part of Audit & Risk and Resources Committee work programmes.

### **Internal Controls Assurance**

The Trustees acknowledge their overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss. One of the primary internal audit exercises during the year was to undertake an analytical review of all payments made to identify exceptions. A positive assurance rating was achieved in respect of this work.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the year commencing 1 April 2017 up to the date of approval of the report and financial statements.

Key elements of the control framework include:-

- Board-approved terms of reference and delegated authorities for Resources, Governance & People, Audit & Risk Committees and Health & Safety Forum,
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks,
- Formal recruitment, retention, training and development policies for all staff,
- Established authorisation and appraisal procedures for significant new initiatives and commitments,
- Regular review of cash flow and treasury management by the Resources Committee,
- Reviewing the Register of assets and liabilities,
- Regular reporting to the appropriate committee on key business objectives, targets and outcomes,
- Board approved Code of Conduct,
- Board approved safeguarding, health & safety, whistle-blowing, anti-fraud and corruption policies,
- Board approved fraud policies, covering prevention, detection and reporting, together with recoverability of assets.

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A fraud register is maintained and is reviewed by the Audit & Risk Committee on a regular basis. During the year, there were no material findings of fraudulent activity. In the cases that were reviewed, it demonstrated areas for the tightening of local working practice although it is noteworthy to report that there were no losses of charitable funds.

The Board cannot delegate ultimate responsibility for the systems of internal control, but has delegated authority to the Audit & Risk Committee to regularly review the effectiveness of the system of internal control for the Group and the annual report of the internal auditor and has reported its findings to the Board.

The Audit & Risk Committee approved a three-year internal audit rolling plan for the group following a risk review by the internal auditor.

#### **Code of Governance**

The Trustee Board is pleased to report that the Group complies with the National Housing Federation's Code of Governance (2015). During the course of the year, the Audit & Risk Committee reviewed the compliance framework as well as approving the annual review of Financial Regulations and governance arrangements. As an evolving organisation, the Group will continue to review and develop its governance in order to best serve its beneficiaries.

#### **Annual review of governance and viability standards**

The Trustees have reviewed the governance and viability standards and confirm that the Group has complied with them.

#### **Bereavements**

During the year under review, the Charity noted, with sadness, the passing of Terry Wilde and Kelvin Lees who both previously served as trustees. Also, Mike Johnson sadly passed: he was previously the Treasurer of High Wycombe YMCA and instrumental in facilitating the transfer of the High Wycombe operations to the Company. The Trustee Board record their grateful thanks for Christian service to the community given by Terry, Kelvin and Mike.

### **STATEMENT OF RESPONSIBILITIES OF THE TRUSTEE BOARD FOR THE REPORT AND FINANCIAL STATEMENTS**

#### **General Financial Responsibilities**

The Trustee Board is responsible for preparing the operating and financial review and strategic report, the report of the Trustees and financial statements in accordance with applicable law and regulations.

Company law requires the Trustee Board to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and the surplus or deficit of the Company and the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2014, 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 continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the

**ONE YMCA**

**Report and financial statements for the year ended 31 March 2018**

Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors is aware of that information.

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

**Annual General Meeting**

The annual general meeting will be held in September 2018.

The Report of the Trustee Board was approved by the Trustees on 25 July 2018 and signed on their behalf by:



Andrew Newell  
Chairman & Trustee

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONE YMCA**

### **Opinion**

We have audited the financial statements of One YMCA for the year-ended 31 March 2018 which comprise the consolidated and company statements of comprehensive income, the consolidated and company statements of changes in reserves, the consolidated and company balance sheets, the consolidated statement of cash flows 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2018 and the Accounting Direction for Registered Providers of Social Housing 2015; 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 group 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.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 26, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

## ONE YMCA

### Report and financial statements for the year ended 31 March 2018

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.

#### 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 group's or 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 Report of the Board, the operating and financial review and the strategic report. 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.

#### 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 Report of the Board, the operating and financial review and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board, the operating and financial review and the strategic report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, the operating and financial review or the strategic report.

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

  
Tracey Young (Senior Statutory Auditor)

For and on behalf of haysmacintyre,  
Statutory Auditors, 10 Queen Street Place, London EC4R 1AG

25 July 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	10,122,612	9,130,884
Operating expenditure	3	<u>(9,746,876)</u>	<u>(8,832,078)</u>
<b>Operating Surplus</b>	4	<b>375,736</b>	<b>298,806</b>
(Loss) / gain on disposal of property, plant and equipment	5	(4,250)	43
Interest receivable and other income	6	62,735	64,291
Interest and financing costs	7	(43,514)	(46,599)
Movement in fair value of financial instruments	13	<u>23,076</u>	<u>370,220</u>
<b>Surplus for the year</b>		<b>413,783</b>	<b>686,761</b>
Actuarial gains relating to Pension Fund	17	6,000	15,000
<b>Total comprehensive income for the year</b>		<b><u>419,783</u></b>	<b><u>701,761</u></b>

**COMPANY STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	9,105,866	8,293,092
Operating expenditure	3	<u>(8,754,259)</u>	<u>(8,159,943)</u>
<b>Operating Surplus</b>	4	<b>351,607</b>	<b>133,149</b>
Gain / (loss) on disposal of property, plant and equipment	5	(4,250)	43
Interest receivable and other income	6	62,735	70,108
Interest and financing costs	7	(43,514)	(46,599)
Movement in fair value of financial instruments	13	<u>23,076</u>	<u>370,220</u>
<b>Surplus for the year</b>		<b>389,654</b>	<b>526,921</b>
Actuarial gains relating to Pension Fund	17	6,000	15,000
<b>Total comprehensive income for the year</b>		<b><u>395,654</u></b>	<b><u>541,921</u></b>

The accompanying notes form part of these financial statements.

**ONE YMCA**  
Report and financial statements for the year ended 31 March 2018

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**  
FOR THE YEAR ENDED 31 MARCH 2018

<b>GROUP</b>	<b>Income &amp; expenditure reserve</b>	<b>Property revaluation reserve</b>	<b>Total</b>
<b>Balance at 1 April 2017</b>	£ 7,285,476	£ 5,644,254	£ 12,929,730
Surplus from income and expenditure account	419,783	-	419,783
Transfer from revaluation reserve to income and expenditure reserve	65,609	(65,609)	-
<b>Balance at 31 March 2018</b>	<b>7,770,868</b>	<b>5,578,645</b>	<b>13,349,513</b>

<b>COMPANY</b>	<b>Income &amp; expenditure reserve</b>	<b>Property revaluation reserve</b>	<b>Total</b>
<b>Balance at 1 April 2017</b>	£ 7,294,663	£ 5,644,254	£ 12,938,917
Surplus from income and expenditure account	395,654	-	395,654
Transfer from revaluation reserve to income and expenditure reserve	65,609	(65,609)	-
<b>Balance at 31 March 2018</b>	<b>7,755,926</b>	<b>5,578,645</b>	<b>13,334,571</b>

The £65,609 transfer between funds relates to the release of the revaluation reserve to offset increased depreciation as a result of FRS 102

**BALANCE SHEET**  
AS AT 31 MARCH 2018

Registered company 4430743

	Notes	2018 £	Group 2017 £	2018 £	Company 2017 £
<b>Fixed assets</b>					
Tangible fixed assets	11,12	11,201,431	10,562,086	11,201,431	10,558,303
Investments	13	2,419,868	3,296,849	2,429,868	3,306,849
		<u>13,621,299</u>	<u>13,858,935</u>	<u>13,631,299</u>	<u>13,865,152</u>
<b>Current assets</b>					
Trade and other debtors	14	1,013,862	463,697	923,260	432,452
Cash and cash equivalents		1,923,041	1,566,186	1,828,208	1,423,432
		<u>2,936,903</u>	<u>2,029,883</u>	<u>2,751,468</u>	<u>1,855,884</u>
<b>Creditors: falling due within one year</b>	15	1,791,406	1,432,512	1,630,913	1,255,543
<b>Net current assets</b>		<u>1,145,497</u>	<u>597,371</u>	<u>1,120,555</u>	<u>600,341</u>
Creditors: falling due after more than one year	16	454,822	556,882	454,822	556,882
Pension funds	17	962,461	969,694	962,461	969,694
<b>Total net assets</b>		<u><b>13,349,513</b></u>	<u><b>12,929,730</b></u>	<u><b>13,334,571</b></u>	<u><b>12,938,917</b></u>
<b>Capital and reserves</b>					
Housing property revaluation reserve		5,578,645	5,644,254	5,578,645	5,644,254
Revenue reserve		7,770,868	7,285,476	7,755,926	7,294,663
<b>Total reserves</b>		<u><b>13,349,513</b></u>	<u><b>12,929,730</b></u>	<u><b>13,334,571</b></u>	<u><b>12,938,917</b></u>

The accompanying notes form part of these financial statements.

The accounts were approved by the Trustee Board on 25 July 2018 and were signed on its behalf by:

Andrew Newell  Chairman and Trustee

John Robinson  Treasurer and Trustee



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
<b>Net cash generated from operating activities</b>		
Surplus for the financial year	413,783	686,761
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	480,329	378,794
(Increase) / decrease in trade and other receivables	(550,165)	284,124
Increase in trade and other creditors	274,443	181,269
Carrying amount of fixed asset disposals	4,250	-
Movement in fair value of financial instruments	(23,076)	(370,220)
Pension costs less contributions payable	2,634	(61,601)
Interest paid	11,525	13,682
Interest received	(62,735)	(64,292)
<b>Cash generated from operating activities</b>	<b>550,988</b>	<b>1,048,517</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(1,124,158)	(461,462)
Sale of investments	1,153,427	-
Purchase of investments	(254,369)	-
Interest received	62,735	64,292
<b>Net cash from investing activities</b>	<b>(162,365)</b>	<b>(397,170)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(11,525)	(13,682)
Repayments of borrowings	(20,243)	(18,086)
<b>Net cash used in financing activities</b>	<b>(31,768)</b>	<b>(31,768)</b>
<b>Net increase in cash and cash equivalents</b>	<b>356,855</b>	<b>619,578</b>
Cash and cash equivalents at beginning of year	1,566,186	946,608
<b>Cash and cash equivalents at end of year</b>	<b>1,923,041</b>	<b>1,566,186</b>
<b>Cash and cash equivalents at 31 March</b>		
Cash	1,923,041	1,566,186
Cash equivalents	-	-
	<b>1,923,041</b>	<b>1,566,186</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

**1. Status**

The Company is a company limited by guarantee, registered under the Companies Act 2006 registration number 4430743, a registered charity number 1102301 and registered with the Regulator of Social Housing as a social housing provider registration number H4418. The charity meets the definition of a public benefit entity under FRS 102.

The registered office is Charter House, Charter Place, Watford, Hertfordshire WD17 2RT.

Each member of the Company undertakes to contribute such amount as may be required (not exceeding £1.00) to the assets of the Company in the event of the same being wound up while he or she is a member or within one year after he or she ceases to be a member for payment of the debt and liabilities of the Company contracted before he or she ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves. If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members of the Company but shall be transferred to The National Council of Young Men's Christian Association (Incorporated) for its general purposes.

**2. Principal accounting policies**

The financial statements are prepared in accordance with Financial Reporting Standard 102 and the Statement of Recommended Practice: accounting by registered social housing providers 2014 ("SORP 2014") and comply with the Accounting Direction for private registered providers of social housing 2015.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year. No complex financial instruments are held.

**(a) Basis of accounting**

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are re-measured at each balance sheet date.

**(b) Basis of consolidation**

The Group financial statements consolidate those of the Company and its subsidiary undertakings, One YMCA Retail Ltd and Early Childhood Partnership, drawn up to 31 March 2018. Profits or losses on intra-group transactions are eliminated in full in accordance with FRS 102.

**(c) Going concern**

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Trustees' Report. On this basis, the Trustee Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

**(d) Turnover**

Turnover comprises rental and service charge income receivable in the year and other services at invoiced value (excluding VAT) of goods and services supplied in the year.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

Revenue grants are receivable when the conditions for receipts of agreed grant funding have been met. Charges for support services funded by Housing Related Support and Children's Centres are recognised as they fall due under the contractual arrangements with Administering Authorities.

**(e) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover and staff numbers.

**(f) Housing properties**

Housing properties are principally properties available for rent. The properties at Peartree Lane, Welwyn Garden City and Charter House, Watford were revalued upon the implementation of FRS102 and SORP 2014. The Company elected to measure housing properties on the date of transition at its fair value and use that fair value as its deemed cost at that date. The valuation is based upon an Existing Use Value for Social Housing (EUV-SH) basis by an independent professional advisor qualified by the Royal Institute of Chartered Surveys to undertake valuations.

Housing properties are stated at cost less depreciation, the cost of future additions being the cost of acquiring land and buildings and expenditure incurred in respect to improvements.

Work to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

**(g) Housing properties and depreciation**

The Company separately identifies the major components that comprise its housing properties, and charges depreciation, so as to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Company depreciates the major components of its housing properties at the following annual rates:

<b><u>Component</u></b>	<b><u>Useful economic life</u></b>
Structure (Leased)	Residue of lease
Structure	80 years
Roofs	30 years
Windows	20 years
Kitchens	20 years
Bathrooms	30 years
Heating	20 years
Lifts	15 years

Where the unexpired lease term is shorter than the longest component life envisaged, the unexpired term of the lease is adopted as the useful economic life.

**(h) Other tangible fixed assets and depreciation**

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

<b><u>Component</u></b>	<b><u>Useful economic life</u></b>
Non-Housing Leasehold improvements	Over the term of the lease
Fixture and fittings	5 years
Motor Vehicles	5 years
ICT	3 - 7 years (depending upon items)

**(i) Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks of donated goods have not been valued as it is not practical to do so.

**(j) Operating leases**

Rentals payable under the operating leases are charged on a straight-line basis over the lease term. The benefits of lease incentives entered into after the date of transition to FRS 102 are recognised in income and expenditure over the lease period.

The Company has taken advantage of the exemption in FRS 102 section 35 to continue to treat incentives received on leases entered into before the date of transition on the same basis as at the date of transition.

**(k) Pensions****Hertfordshire County Council Pension Fund**

The Company is a participating employer in the Hertfordshire County Council Pension Fund (HCCPF) in respect of employees already in the scheme who transferred from other admitted local authority bodies. The scheme is a multi-employer defined benefit scheme and the Company's share of the results of the scheme is shown within the accounts in accordance with FRS 102.

For the HCCPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Company.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

**YMCA Pension Plan**

The Company 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 the Company, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 17, the Company has a contractual obligation to make pension deficit payments over the period to April 2027. Accordingly, this is shown as a liability in these accounts, discounted to fair value. In addition, the Company is required to contribute to the operating expenses of the Pension Plan and these costs are charged to the Income and Expenditure Account as made.

**Group Personal Pension Plan (defined contribution)**

The Company also makes contributions to a group personal pension plan (defined contribution) provided by Aviva (formerly Friends Life) which is open to all employees.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

(l) **Social Housing Grant**

Social Housing Grant (SHG) is receivable from the Homes England (HE) as a contribution towards the capital cost of housing schemes. The Company has taken advantage of transitional relief for deemed cost and treated all SHG grant on transition under the performance model in accordance with SORP 2014. Any subsequent SHG grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

SHG due from the HE or received in advance is included as a current asset or liability. SHG is subordinated to the repayment of loans by agreement with the HE. SHG released on sale of a property may be repayable, but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, the Company is required to recycle these proceeds; as such a contingent liability is disclosed to reflect this.

(m) **Other Grants**

Other grants are receivable from local authorities and other organisations and are accounted for under the accruals model. Capital grants are recognised in income over the expected useful life of the asset. Grants in respect of revenue expenditure are credited to the income and expenditure in the same period as the expenditure to which they relate.

(n) **Investments**

Investments held as fixed assets are valued at mid-point of the quotation in the Stock Exchange daily official list. Any movements in the fair value of investments are recognised in income and expenditure.

(o) **Interest Free Loans**

Long term loans carrying no interest are disclosed at amortised cost using the market rate of similar debt instruments – the effective interest method.

(p) **Provisions for Liabilities**

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

(q) **Fund Accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. The revaluation of properties is reported separately in the property revaluation reserve. This is the difference between the fair value of social housing properties and the historical cost carrying value.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial

ONE YMCA

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

statements.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****3. Group - Turnover, operating costs and operating surplus**

2018	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,068,063	2,748,769	319,294
<b>Other social housing activities:</b>			
Housing related support	1,297,204	1,368,381	(71,177)
<b>Total – social housing activities</b>	<b>4,365,267</b>	<b>4,117,150</b>	<b>248,117</b>
Other non-social housing	1,203,912	936,769	267,143
Housing asset purchase costs & pension project	-	122,252	(122,252)
<b>Total housing activities</b>	<b>5,569,179</b>	<b>5,182,801</b>	<b>393,008</b>
<b>Non-social housing activities</b>			
Health & wellbeing – budget gyms	947,571	1,022,795	(75,224)
Health & wellbeing – community programmes	101,469	74,334	27,135
Child and family services	3,048,714	2,818,210	230,504
Youth	102,261	289,617	(187,356)
Retail	20,484	33,298	(12,814)
Community	186,839	154,812	32,027
Government grants taken to income	92,819	92,819	-
Other grants taken to income	4,452	4,452	-
Other	48,824	80,368	(31,544)
	<b>4,553,433</b>	<b>4,570,705</b>	<b>(17,272)</b>
	<b>10,122,612</b>	<b>9,746,876</b>	<b>375,736</b>

**Group - Turnover, operating costs and operating surplus**

2017	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,084,990	2,764,282	320,708
<b>Other social housing activities:</b>			
Housing related support	1,264,078	1,286,671	(22,593)
<b>Total – social housing activities</b>	<b>4,349,068</b>	<b>4,050,953</b>	<b>298,115</b>
Other non-social housing	712,406	592,548	119,858
<b>Total housing activities</b>	<b>5,061,474</b>	<b>4,643,501</b>	<b>417,973</b>
<b>Non-social housing activities</b>			
Health & wellbeing – budget gyms	916,919	976,749	(59,830)
Health & wellbeing – community programmes	125,612	80,185	45,427
Child and family services	2,424,165	2,360,553	63,612
Youth	171,513	290,933	(119,420)
Retail	223,696	280,584	(56,888)
Community	169,088	151,154	17,934
Government grants taken to income	10,313	10,313	-
Other grants taken to income	6,076	6,076	-
Other	22,028	32,030	(10,002)
	<b>4,069,410</b>	<b>4,188,577</b>	<b>(119,167)</b>
	<b>9,130,884</b>	<b>8,832,078</b>	<b>298,806</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****Company - Turnover, operating costs and operating surplus**

2018	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,068,063	2,755,399	312,664
<b>Other social housing activities:</b>			
Housing related support	1,297,204	1,368,381	(71,177)
<b>Total – social housing activities</b>	<b>4,365,267</b>	<b>4,123,780</b>	<b>241,487</b>
Other non-social housing	1,203,912	936,769	267,143
Housing asset purchase costs & pension project	-	122,252	(122,252)
<b>Total housing activities</b>	<b>5,569,179</b>	<b>5,182,801</b>	<b>386,378</b>
<b>Non-social housing activities</b>			
Health & wellbeing – budget gyms	947,571	1,022,795	(75,224)
Health & wellbeing – other	101,469	74,334	27,135
Child and family services	1,972,452	1,824,545	147,907
Youth & Community	102,261	289,617	(187,356)
Community	186,839	154,812	32,027
Government grants taken to income	92,819	92,819	-
Other grants taken to income	4,452	4,452	-
Retail loan write off	-	27,716	(27,716)
Other	128,824	80,368	48,456
	<b>3,536,687</b>	<b>3,571,458</b>	<b>(34,771)</b>
	<b>9,105,866</b>	<b>8,754,259</b>	<b>351,607</b>

**Company - Turnover, operating costs and operating surplus**

2017	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,084,990	2,803,337	281,653
<b>Other social housing activities:</b>			
Housing related support	1,264,078	1,286,671	(22,593)
<b>Total – social housing activities</b>	<b>4,349,068</b>	<b>4,090,008</b>	<b>259,060</b>
Other non-social housing	712,406	592,548	119,858
<b>Total housing activities</b>	<b>5,061,474</b>	<b>4,682,556</b>	<b>378,918</b>
<b>Non-social housing activities</b>			
Health & wellbeing – budget gyms	916,919	976,749	(59,830)
Health & wellbeing – other	125,612	80,185	45,427
Child and family services	1,763,399	1,712,133	51,266
Youth & Community	171,513	337,603	(166,090)
Community	169,088	151,154	17,934
Government grants taken to income	10,313	10,313	-
Other grants taken to income	6,076	6,076	-
Retail loan write off	-	171,144	(171,144)
Other	68,698	32,030	36,668
	<b>3,231,618</b>	<b>3,477,387</b>	<b>(245,769)</b>
	<b>8,293,092</b>	<b>8,159,943</b>	<b>133,149</b>



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****Turnover, operating costs and operating surplus (continued)**

	2018	Group 2017	2018	Company 2017
	£	£	£	£
<b>Operating costs for social housing:</b>				
Management	1,190,526	1,225,322	1,197,156	1,264,377
Services	765,428	815,652	765,428	815,652
Routine maintenance	362,858	354,667	362,858	354,667
Planned maintenance	76,763	26,104	76,763	26,104
Rent losses from bad debts	105,658	105,031	105,658	105,031
Depreciation of housing properties and equipment	247,536	237,506	247,536	237,506
	<u>2,748,769</u>	<u>2,764,282</u>	<u>2,755,399</u>	<u>2,803,337</u>

Void losses: notional calculation of income lost from vacant rooms	330,661	241,935	330,661	241,935
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Number of registered accommodation units <i>(Included within the above are 304 Supported Bed Spaces and 126 managed units)</i>	483	454	483	454
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**4 Operating surplus**

	2018	Group 2017	2018	Company 2017
	£	£	£	£
<b>The operating surplus is arrived at after charging:</b>				
Depreciation	480,329	378,794	476,546	352,902
Operating lease payments:				
- Land and buildings	106,815	225,800	95,765	162,341
- Vehicles	-	5,500	-	-
Auditors' remuneration (excluding VAT)				
- Fees payable for the audit of the financial statements	22,150	22,000	19,150	17,000

**5. (Loss) / gain on sale of fixed assets**

	2018	Group 2017	2018	Company 2017
	£	£	£	£
Disposal proceeds	-	43	-	43
Carrying value of fixed assets	(4,250)	-	(4,250)	-
	<u>(4,250)</u>	<u>43</u>	<u>(4,250)</u>	<u>43</u>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****6. Interest receivable and other income**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Interest receivable and similar income	4,105	3,801	4,105	9,618
Income from listed investments	58,630	60,490	58,630	60,490
Interest from other investments	-	-	-	-
	<u>62,735</u>	<u>64,291</u>	<u>62,735</u>	<u>70,108</u>

**7. Interest and financing costs**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Defined benefit pension charge	31,990	32,917	31,990	32,917
Loan and bank overdrafts	11,524	13,682	11,524	13,682
	<u>43,514</u>	<u>46,599</u>	<u>43,514</u>	<u>46,599</u>

**8. Board members and executive directors**

**Board members** – the non-executive directors of the Company are the Trustee Board. None of the Trustee Board received emoluments. The trustees were reimbursed travelling expenses totalling £276 (2017 : £1,578) during the year.

Executive Directors	Basic salary £	Pension contribs. £	2018 Total £	2017 Total £
<b>Chief Executive</b>				
Guy Foxell	94,282	7,543	101,825	98,404
<b>Director of Resources</b>				
David Martin	**80,940	6,061	87,001	81,069
<b>Director of Enterprise</b>				
Joanna Keay	60,688	4,855	65,543	58,574
	<u>235,910</u>	<u>18,459</u>	<u>254,369</u>	<u>238,047</u>

The Chief Executive is a member of the Aviva defined contribution pension scheme. Both the Company and Chief Executive make contributions to this money purchase scheme.

\*\* The basic salary of the Director of Resources included a one-off extra responsibility allowance of £5,173 paid in 2017/18 in respect of managing the Housing service on an interim basis in the absence of a director from July 2016 to May 2017 as well as setting up the Early Childhood Partnership over the 12 month period ending May 2017.

The full time equivalent number of staff who received emoluments:	2018 No	2017 No
£60,001 to £70,000	2	2
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****9. Employee information**

Average monthly number of employees:	Group		Company	
	2018	2017	2018	2017
	No	No	No	No
Housing	86	82	82	70
Support Services	22	21	22	21
Sports, health & fitness	33	37	33	37
Child & family services	76	76	76	76
Youth & community	16	12	16	12
Orbital Community Centre	6	6	6	6
Retail	3	9	-	-
Early Childhood Partnership	24	22	-	-
<b>Total</b>	<b>266</b>	<b>265</b>	<b>235</b>	<b>222</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Staff costs (for the above persons)</b>				
Wages and salaries	4,607,199	4,366,549	4,183,272	3,850,781
Social security costs	363,628	335,785	333,802	299,271
Other pension costs	104,226	96,000	94,607	89,440
	<b>5,075,053</b>	<b>4,798,334</b>	<b>4,611,681</b>	<b>4,239,492</b>

During the year, termination payments of £86,157 (2017: £44,346) were recognised as an expense as compensation for loss of office.

**10. Taxation**

The Company is a registered charity qualifying for relief from income and capital gains taxes on its charitable activities.

**11. Group and Company – Tangible fixed assets (housing)**

	Freehold property	Housing long leasehold property	Housing property improv'm'ts	WIP	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2017	3,700,000	4,856,000	1,621,540	-	10,177,540
Additions	561,000	-	37,599	208,142	806,741
At 31 March 2018	<b>4,261,000</b>	<b>4,856,000</b>	<b>1,659,139</b>	<b>208,142</b>	<b>10,984,281</b>
<b>Depreciation</b>					
At 1 April 2017	166,927	167,447	1,035,490	-	1,369,864
Providing during year	63,002	55,816	55,262	-	174,080
At 31 March 2018	<b>229,929</b>	<b>223,263</b>	<b>1,090,752</b>	<b>-</b>	<b>1,543,944</b>
<b>Net book value</b>					
At 31 March 2018	<b>4,031,071</b>	<b>4,632,737</b>	<b>568,387</b>	<b>208,142</b>	<b>9,440,337</b>
At 31 March 2017	<b>3,533,073</b>	<b>4,688,553</b>	<b>586,050</b>	<b>-</b>	<b>8,807,676</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****12. Group – Tangible fixed assets (non-housing)**

	Other property	Long leasehold property	Leasehold improv'm'ts	Fixtures, fittings & equipment	Vehicles	WIP	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2016	471,657	760,000	991,573	1,740,351	27,512	106,047	4,097,140
Additions	-	-	92,418	34,710	-	190,055	317,134
Category transfer	-	-	(1,410)	97,245	-	(95,835)	-
Disposals	(129,692)	-	(14,375)	(278,063)	-	-	(422,130)
Cost at 31 March 2017	341,965	760,000	1,068,206	1,594,243	27,512	200,267	3,992,193
<b>Depreciation</b>							
At 1 April 2017	284,475	26,172	574,394	1,430,725	26,964	-	2,342,730
Providing during year	123,891	8,736	52,497	120,577	548	-	306,249
Released on disposal	(129,691)	-	(12,799)	(275,390)	-	-	(417,880)
At 31 March 2018	278,675	34,908	614,092	1,275,912	27,512	-	2,231,099
<b>Net book value</b>							
At 31 March 2018	63,290	725,092	454,114	318,331	-	200,267	1,761,094
At 31 March 2017	187,182	733,828	417,179	309,626	548	106,047	1,754,410

**Company – Tangible fixed assets (non-housing)**

	Other property	Long leasehold property	Leasehold improv'm'ts	Fixtures, fittings & equipment	Vehicles	WIP	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2017	471,657	760,000	991,573	1,700,095	27,512	106,047	4,056,884
Additions	-	-	92,418	34,710	-	190,055	317,183
Category transfer	-	-	(1,410)	97,245	-	(95,835)	-
Disposals	(129,692)	-	(14,375)	(278,063)	-	-	(422,130)
Cost at 31 March 2018	341,965	760,000	1,068,206	1,553,987	27,512	200,267	3,951,937
<b>Depreciation</b>							
At 1 April 2017	284,475	26,172	574,394	1,394,252	26,964	-	2,306,257
Provided during year	123,891	8,736	52,497	116,794	548	-	302,466
Released on disposal	(129,691)	-	(12,799)	(275,390)	-	-	(417,880)
At 31 March 2018	278,675	34,908	614,092	1,235,656	27,512	-	2,190,843
At 31 March 2018	63,290	725,092	454,114	318,331	-	200,267	1,761,094
At 31 March 2017	187,182	733,828	417,179	305,843	548	106,047	1,750,627

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****13. Investments**

	2018 Group £	2017 Group £	2018 Company £	2017 Company £
<b>Fair value</b>				
As at 1 April 2017				
Listed on a recognised stock exchange	3,295,849	2,925,629	3,295,849	2,925,629
Additions	254,369	-	254,369	-
Disposals	(1,153,427)	-	(1,153,427)	-
Realised gains on disposals	346,247	-	346,247	-
Unrealised (losses) / gains on valuation	(323,170)	370,220	(323,170)	370,220
As at 31 March 2018	<u>2,419,868</u>	<u>3,295,849</u>	<u>2,419,868</u>	<u>3,295,849</u>
<b>Non-listed investments held at historical cost</b>				
As at 1 April 2017	1,000	1,500	11,000	11,500
Disposals	(1,000)	(500)	(1,000)	(500)
As at 31 March 2018	<u>-</u>	<u>1,000</u>	<u>10,000</u>	<u>11,000</u>
<b>Total investments as at 31 March</b>	<u>2,419,868</u>	<u>3,296,849</u>	<u>2,429,868</u>	<u>3,306,849</u>

An investment in 10,000 £1 ordinary shares in One YMCA Retail Ltd, incorporated in England, a wholly owned subsidiary, which was a trading company selling donated goods. The Company was dormant as at 31 March 2018 and the directors intend to dissolve the Company.

An investment of 1,000 £1 ordinary shares in YMCA Hertfordshire Community Interest Company, incorporated in England, was written off in 2018 as the Company has been dissolved.

During the year, £900,000 of investments were realised into cash to contribute to the purchase of housing schemes.

**14. Debtors**

	2018 Group £	2017 Group £	2018 Company £	2017 Company £
Rent arrears (including housing benefit, and resident arrears)	125,043	200,974	125,043	200,974
Less provision for doubtful debt	(47,136)	(71,041)	(47,136)	(71,041)
	<u>77,907</u>	<u>129,933</u>	<u>77,907</u>	<u>129,933</u>
Students (Steiner college)	86,156	45,700	86,156	45,700
	<u>164,063</u>	<u>175,633</u>	<u>164,063</u>	<u>175,633</u>
Trade debtors	782,712	165,130	691,898	158,757
Less provision for doubtful debt	-	-	-	-
	<u>782,712</u>	<u>165,130</u>	<u>691,898</u>	<u>158,757</u>
Other debtors	4,868	4,330	4,868	-
Prepayments and accrued income	62,219	118,604	60,407	95,425
Amounts due from subsidiary	-	-	2,024	2,637
	<u>1,013,862</u>	<u>463,697</u>	<u>923,260</u>	<u>432,452</u>

The increase in Trade Debtors was as a result of increased billing in March 2018 for new contracts awarded during the year. As at 31 March 2018, 90% of the debt was less than 30 days old.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****15. Creditors**

Amounts falling due within one year	2018	2017	2018	2017
	Group	Group	Company	Company
	£	£	£	£
Current instalments due on loans (see note 16 for security details)	19,401	18,712	19,401	18,712
Trade creditors	316,291	138,637	310,365	133,678
Other taxes and social security costs	230,002	200,055	225,545	195,313
Other creditors	218,757	268,834	217,163	262,953
Amounts due to subsidiary	-	-	10,000	1,175
Deferred grant income	4,971	15,365	4,971	15,365
Accruals and deferred income	1,001,984	790,909	843,468	628,347
	<u>1,791,406</u>	<u>1,432,512</u>	<u>1,630,913</u>	<u>1,255,543</u>

**16. Creditors**

Amounts falling due after more than one year	2018	2017	2018	2017
	Group	Group	Company	Company
	£	£	£	£
Bank loan	332,652	353,293	332,652	353,293
Other loans	48,518	48,810	48,518	48,810
Deferred grant income	73,652	154,779	73,652	154,779
	<u>454,822</u>	<u>556,882</u>	<u>454,822</u>	<u>556,882</u>

A loan of £124,000 was made by Watford Borough Council in 1977. The loan is interest-free and is repayable over the term of the lease. The amount due of £48,818 at 31 March 2018 (2017:£49,111) is the measurement of the liability after discounting for the income rate of return.

£450,000 was borrowed from HSBC in 2013 at 2.9% above the Bank's sterling Bank Rate and is repayable over a 20 year term. The amount due at 31 March 2018 is £351,753 (2017: £371,704). This loan was repaid in June 2018 a part of the loan restructure.

Based on the earliest repayment date, borrowings are repayable as follows:	2018	2017	2018	2017
	Group	Group	Company	Company
One year or less	19,401	18,712	19,401	18,712
One year or more but less than two years	20,032	19,340	20,032	19,340
Two years or more but less than five years	64,714	62,130	64,714	62,130
Five years or more	296,424	320,633	296,424	320,633
	<u>400,571</u>	<u>420,815</u>	<u>400,571</u>	<u>420,815</u>

The lease of Charter House, Watford is held as security for the above Watford Borough Council loan.

The freehold of Peartree Hostel, Welwyn Garden City is held as security for the HSBC mortgage.

After the balance sheet date, £1,664,500 was borrowed from HSBC in June 2018 at 2.07% above the Bank Rate and is repayable over a 20 year term.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

<b>Deferred Capital Grants</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred income as at 1 April	170,144	104,756	170,144	104,756
Additions	5,750	81,777	5,750	81,777
Released to Statement of Comprehensive Income	(97,271)	(16,389)	(97,271)	(16,389)
As at 31 March	<u>78,623</u>	<u>170,144</u>	<u>78,623</u>	<u>170,144</u>
<b>Deferred income to be released to the statement of comprehensive income:</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
In less than one year	4,971	15,365	4,971	15,365
In more than one year	73,652	154,779	73,652	154,779
	<u>78,623</u>	<u>170,144</u>	<u>78,623</u>	<u>170,144</u>

**17. Pensions**

The Company has recognised pension liabilities relating to two schemes, the multi-employer defined benefit pension plan for employees of the YMCAs in England, Scotland and Wales and the Hertfordshire County Council Pension Fund.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Hertfordshire County Council	-	-
YMCA	1,038,253	1,035,618
<b>Total pension liability</b>	<u><b>1,038,253</b></u>	<u><b>1,035,618</b></u>

**Hertfordshire County Council Pension Fund (HCCPF)**

The HCCPF is a multi-employer scheme, administered by Hertfordshire County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2016 and the results have been projected forward using approximate methods, allowing for the different financial assumptions required under FRS102, to 31 March 2018 by a qualified independent actuary.

The employer's contribution to the HCCPF by the Company for the year ended 31 March 2018 was £4,561 (2017: £4,519).

Estimated employer's contributions to the HCCPF during the accounting period commencing on 1 April 2018 is £4,564.

<b>Financial assumptions</b>	<b>31 March</b>	<b>31 March</b>
	<b>2018</b>	<b>2017</b>
	<b>% per</b>	<b>% per</b>
	<b>annum</b>	<b>annum</b>
Discount rate	2.7	2.6
Future salary increases	2.5	2.5
Inflation	2.4	2.4

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****Mortality assumptions**

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI2012 model assuming current rates of improvement have peaked and will converge to a long term rate 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<b>2018</b>	<b>2017</b>
	<b>No. of years</b>	<b>No. of years</b>
Current Pensioners:		
Males	22.5	22.5
Females	24.9	24.9
Future Pensioners*:		
Males	24.1	24.1
Females	26.7	26.7

*\*Figures assume members aged 45 as at last formal valuation date.*

	<b>2018</b>	<b>2017</b>
	<b>£000's</b>	<b>£000's</b>
<b>Amounts recognised in the statement of comprehensive income</b>		
Current service cost	9	6
Net interest expenses	-	-
<b>Total defined benefit cost recognised in surplus or deficit</b>	<b>9</b>	<b>6</b>

**Reconciliation of opening and closing balances of the present value of scheme liabilities**

	<b>2018</b>	<b>2017</b>
	<b>£000's</b>	<b>£000's</b>
Opening scheme liabilities	157	141
Current service cost	9	6
Interest cost	4	5
Contributions by members	1	1
Remeasurements	(4)	4
Benefits paid	-	-
<b>Closing scheme liabilities</b>	<b>167</b>	<b>157</b>

**Reconciliation of opening and closing balances of the fair value of plan assets**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of scheme assets	157	126
Interest income	4	5
Return on plan assets (in excess of interest income)	2	20
Contributions by employer	5	5
Scheme participants' contributions	1	1
Benefits paid	-	-
<b>Closing value of fair value of plan assets</b>	<b>169</b>	<b>157</b>

The improvement in the value of the fund by £2,000 has not been reflected in the accounts due to the future volatility of the fund.



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****Major categories of scheme assets as a percentage of total plan assets**

	2018	2017
	%	%
Equities	59	65
Bonds	28	25
Property	8	7
Cash	5	3
	<b>100</b>	<b>100</b>

**Sensitivity analysis**

	Approximate % increase to Employer Liability	Approximate monetary amount (£000's)
<b>Change in assumptions at year ended 31 March 2018</b>		
0.5% decrease in real discount rate	11%	18
1 year increase in member life expectancy	3-5%	4
0.5% increase in the salary increase rate	2%	4
0.5% increase in the pension increase rate	8%	14

**Pensions – YMCA Pension Plan**

The Company 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 the Company 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%, 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. The Company has been advised that it will need to make monthly contributions of £10,543 from 1 May 2018 in respect of deficit payments and plan expenses. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 9 years commencing 1st May 2017. Using the discount rate based on AA corporate rate bond for the same period a liability with a net present value of £1,038,253 is recognised within provisions for this contractual obligation.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

	£
At 1 April 2017	1,035,618
Paid in year	(99,505)
Addition – East Herts YMCA scheme apportionment	70,150
Unwinding of discount included in finance costs	31,990
<b>At 31 March 2018</b>	<b>1,038,253</b>

	As at 31 Mar 18 £	As at 31 Mar 17 £
Repayable within one year	75,792	65,925
Repayable in more than one year	1,119,008	1,145,055
Discount	(156,547)	(175,362)
	<u>962,461</u>	<u>969,693</u>
<b>Total as at 31 March</b>	<b><u>1,038,253</u></b>	<b><u>1,035,618</u></b>

**18. Operating lease commitments**

The future minimum lease payments are set out below. Leases relate to the rental of properties in eight locations and one vehicle.

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
The following operating lease payments are committed to be paid				
within 1 year	80,936	80,722	80,936	80,722
within 1-2 years	64,661	75,650	64,661	75,650
within 5 years	126,900	194,867	126,900	194,867
	<u>272,497</u>	<u>351,239</u>	<u>272,497</u>	<u>351,239</u>

**19. Restricted Funds****The Big Lottery Fund – Reaching Communities Grant**

The Company currently receives a grant from the Big Lottery Fund. This allowed the Company to deliver youth and community work that is targeted to local needs identified in Watford, which is at the top of the deprivation lists for Hertfordshire. During 2018, funding of £38,689 (2017: £67,223) was received against expenditure incurred.

**BBC Children in Need**

The Company was awarded a grant from BBC Children in Need during 2018. The project provides youth drop in sessions, short-term projects and mentoring support to young people from local low-income households. During 2018, funding of £33,163 (2017: £14,957) was received against expenditure incurred.

**Locality Budget Scheme**

The Company received a grant of £793 (2017: nil) as a contribution towards expenditure to redecorate the youth area in the Welwyn Garden City site. This allows the Company to deliver mentoring and support to weekly youth sessions held in this location.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****20. Related party transactions**

For the financial period under review, two of the Trustees are also Directors of One YMCA Retail Ltd. They were: Nicholas Mourant and John Robinson. The Chief Executive was also a Director of One YMCA Retail Ltd and the Director of Resources was its Company Secretary.

One YMCA provided central services to One YMCA Retail Ltd such as finance, human resources and property management on an arm's length basis.

At 31 March 2018, One YMCA owed One YMCA Retail Ltd £10,000 (2017: £1,176).

One YMCA is a corporate trustee and sole corporate member of Central Hertfordshire YMCA which is a dormant subsidiary. Four of the Trustees were also Trustees of Central Hertfordshire YMCA. These were Nigel Johnson (up to 27 September 2017), Nicola Lucas (from 27 September 2017), Nicholas Mourant, Christine Neyndorff and John Robinson. The Director of Resources was its Company Secretary.

One YMCA is the sole corporate member of Early Childhood Partnership which delivers the Bedford Borough children's centre contract in partnership with other not-for-profit organisations. Three of the Trustees were also Trustees of Early Childhood Partnership. They were Jane Cotton (from 1 November 2017), Nigel Johnson (up to 27 October 2017), Christine Neyndorff and John Robinson. The Director of Resources was its Company Secretary.

At 31 March 2018, Early Childhood Partnership owed One YMCA £2,024 (2017: £2,637). One YMCA provides central services to Early Childhood Partnership such as finance, human resources and property management on an arm's length basis. A charge is made for these services.

John Robinson is also a trustee of Herts Young Homeless which operated a sub-contract for the Charity. The conflict of interest was properly declared and John Robinson took no part in the matter.

**21. Capital commitments**

	2018	2017
	£	£
Contracts placed for future capital commitments not provided in the financial statements	311,014	20,648

The contracted capital commitments at the 31 March 2018 relate to the completion of the boiler replacements at the Welwyn Garden City and High Wycombe sites, the installation of calorifiers at the Watford site and the remainder of the expenditure to complete the redevelopment of the Woodlands site. All items are current year commitments.

**22. Contingent liabilities**

As at 31 March 2018, there was a contingent liability in respect of social housing grant that was awarded to the Company in prior years. There is a potential for repayment or recycling in accordance with the Regulator of Social Housing's guidance in the event that the sites were disposed of and/or taken out of social housing uses. The properties are:

- a) Charter House, Watford - £2.9m of social housing grant awarded in 1977 to facilitate the construction of the site.
- b) Peartree Lane, Welwyn Garden City - £570k of social housing grant awarded in 1995 to facilitate the construction of the Hostel 2 building.
- c) 4 Northgate End, Bishop's Stortford - £782k of social housing grant awarded in 1995 to facilitate the

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

construction of the building.

All of these assets remain in social housing use and the Company has no plans to change the status of the sites.

**23. Membership**

As at 31 March 2018, there were 38 members of the Company (2017: 38).

**24. Post balance sheet events**

The Charity secured a contract from Hertfordshire County Council for the delivery of family support centres in the east of Hertfordshire (Eastern Quadrant). It runs for:

- a) Six months from 1 April 2018 in respect of the Broxbourne East centres which were TUPE'd, and
- b) Six years from 1 October 2018 in respect of the whole Eastern Quadrant (which will include Broxbourne East).

On 10 May 2018, the Charity completed the assignment of the Queensway House, Hatfield, lease to a partner charity. No dilapidations fell due for payment. All accumulated depreciation was released in the 2017/18 accounting statements.

On 1 June 2018, the Charity completed the purchase of the High Wycombe housing scheme from YMCA England. Up until the point of purchase, the site was operated by the Company under a management agreement and the transactions associated with that management agreement are already incorporated in the accounting statements set out above. The completion of the purchase means that the management agreement will terminate. It has been replaced by direct management and operation by way of freehold ownership.

On 1 June 2018 a new mortgage was entered into for £1,664,500 secured against (a) Peartree Lane, Welwyn Garden City (b) Crest Road, High Wycombe and (c) 4 Northgate End, Bishop's Stortford. The loan is based upon a 20 year term with an interest rate at 2.07% over Bank Rate.