

<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 2017**

**REPORTS AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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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 (appointed 7 December 2016) Thomas Buffham Jane Cotton (appointed 22 March 2017) Robert Green Clare Hearnshaw (appointed 7 December 2016) Derek Hyde (resigned 22 March 2017) Ben Johnson Nigel Johnson Nicola Lucas Diane Morrad (resigned 28 April 2016) 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>	Ron Dunning (to 17 July 2016) Lisa Purchase (from 16 May 2017)
<b>Director of Enterprise</b>	Joanna Keay (from 20 April 2016)

### AUDITORS, BANKERS, INVESTMENT MANAGER AND SOLICITORS

<b>Auditor (External)</b>	haysmacintyre, 26 Red Lion Square, London, WC1R 4AG
<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 2017 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: sports, health and wellbeing, children's services 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,
- Develop the foundations of the Group so that it is ready to embrace strategic partnerships and collaborations,
- Expand its operations by securing the High Wycombe housing management agreement on behalf of YMCA England,
- Incorporate the Early Childhood Partnership as a subsidiary to operate the Bedford Borough Children's Centre contract,
- Prepare for investment portfolio changes to facilitate further housing developments,
- Release the Hatfield Nursery site,
- Determine the future of the under-performing retail subsidiary by closing unprofitable units and making arrangements to transfer the successful ones to YMCA England,
- Recruit a new Director of Enterprise with the aim of improving the customer service, performance and efficiency of the budget gym operations,
- Deliver savings and efficiencies.

The Trustee Board support 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 £298,806 (2016: £56,443). This includes the closure costs relating to the retail operation.

A surplus of £686,761 (2016: £2,261) was recorded for the Group after taking into account a material increase in unrealised investment gains totalling £370,220 (2016: £(51,704)). Total comprehensive income for the year was £701,761 (2016: £22,261).

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

- Increased income from the new High Wycombe housing management agreement,
- Increased income from the Early Childhood Partnership operation from 1 September 2016,
- Deferral of a number of capital works and the associated depreciation savings,
- Savings on the Housing catering operations as a result of operational challenges,
- Writing off the retail operation with a view to complete closure in the summer of 2017,
- 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 a significant increase in unrealised investment market values,
- Improving youth fundraising receipts,
- Securing additional rent review income,

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### **Report and financial statements for the year ended 31 March 2017**

- Streamlining expenditure in services and supplies.

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

During the 2016/17 financial year, the Trustee Board have focused the Executive on delivering a change programme to improve underlying effectiveness so that the Group is well placed for the future. This has included:

- Developing the housing occupancy levels and resident support arrangements,
- Preparing the ground for future housing commissioning funding changes,
- Contributing to the national YMCA campaign to influence government on changes to supported housing income policies,
- Recruiting a new Director of Housing to lead on the recommissioning and developing the housing activities,
- Returning a surplus on the Abbots Langley children's day nursery,
- Winding down the retail subsidiary which was a non-social housing activity that did not have a sustainable future.

The housing operations have been very successful where value for money continues to improve. There is still further work to be undertaken on some non-social housing operations to deliver the desired beneficiary outcomes as well as sustainable financial performance.

On an ongoing basis, the Trustee Board is committed to operating a balanced operating budget. With regard to the 2017/18 financial year, a balanced budget has been 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:

- Financial returns,
- Key performance indicators and benchmarking,
- Service quality,
- Social benefits to individuals and communities,
- Benefits to the organisation and its people.

The Group's value for money strategy is to:

- 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;
- 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.

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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	£379k surplus	A 7.5% return was achieved which was in advance of budget. This was largely as a result of: a) New High Wycombe work, b) Catering savings, c) Deferrals within the capital programme and depreciation savings, d) Director of Housing vacancy.
Deliver good occupancy performance to maximise income and service delivery to beneficiaries	Improvement required in 2017/18	Watford 2014/15 – 93.0% 2015/16 – 96.4% 2016/17 – 94.5% Welwyn Garden City 2014/15 – 96.5% 2015/16 – 96.8% 2016/17 – 94.5% High Wycombe 2016/17 – 93.8% - 1 <sup>st</sup> year was up on previous operations  Occupancy performance fell in 2016/7 and is an area for development in 2017/18 to return to previously high levels.
Manage the impact of welfare reform on bad debt (% of housing income not received)	Watford – deteriorated due to abandonments  Welwyn Garden City – improved on prior years  High Wycombe - improved	Watford 2014/15 – 6.5% 2015/16 – 5.0% 2016/17 – 5.6% Welwyn Garden City 2014/15 – 3.8% 2015/16 – 4.9% 2016/17 – 3.6% High Wycombe 2016/17 – 3.8%- 1 <sup>st</sup> year was up on previous operations
Implement Pyramid rent accounting and repairs monitoring and Inform at High Wycombe	Complete	The legacy systems that were inherited at High Wycombe were inadequate. These have been replaced in entirety with associated staff training. As a result, occupancy and debt collection has increased at this site compared to the past.
Complete the harmonisation of housing operating procedures across all Hostels	Complete	The housing procedures were rolled out at High Wycombe to ensure group consistency. The service was subjected to an internal audit inspection by BDO and some final harmonisation improvements are required to maximise performance.
Undertake supplier reviews in order to reduce the number of suppliers and/or cost	Complete  Efficiency savings through fewer suppliers  Cost savings at High Wycombe	The implementation of Cloud PBX at Watford and High Wycombe coupled with the telephony project resulted in the release of a number of legacy suppliers. The Company's supply arrangements have been reduced to one contractor on agreed notice periods. All supplier arrangements at High Wycombe were reviewed and harmonisation took place with improvements being made. The legacy contracts were released to save money.
Review the catering contractor performance levels	Complete	Whilst the OJEU tender process was successful, the contract was released by the contractor in June 2017 by

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Initiative	Status, saving or gain	Comments
	£90k saving achieved	mutual agreement. The Peartree site has been reprovisioned to an alternative supplier. The Watford site has been insured.  The efficiency saving of £90k was secured.
Use of the Pyramid housing repairs system to track work flow and target job completion	3,717 repairs completed 95% urgent repairs on time 95% of standard repairs on time	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. The housing repairs system is used across the Group in order to apply a corporate solution.
Secure the High Wycombe management agreement to increase the units under management and spread overhead costs	£50k of new overhead recovery	The High Wycombe management agreement that took effect on 18 April 2016 and enabled existing management and overhead costs to be spread over a wider base with a £50k efficiency improvement. Moreover, productivity improvements were made for High Wycombe residents with more beneficiaries being served.
Undertake stress testing exercises	Complete	The stress testing exercise is periodically reviewed based upon the prevailing financial risk horizon. Key elements of the test are periodically reviewed particularly in relation to the national social housing income debate.
Recruit a new Director of Housing to lead the Housing Strategy and social housing performance	Complete	New Director of Housing started work in May 2017
Seeking quality accreditations for housing and property & safety as part of external recognition	Significant progress made	SafeContractor submission has been made and the final audit and assessment is awaited from the external verifier. The Centre for Housing Support accreditation process is at the mid-point where evidence has been submitted and the on-site assessments are awaited. These activities for part of the Housing Strategy work programme to drive up standards and tender-readiness.
<b>Non-social housing activities</b>		
Generate a surplus on trading subsidiary operations, contribute an overhead and repayment of the inter-company loan	Unsuccessful	2016/17 was a poor trading year and the decision was taken to exit retail fundraising. As a result, the trading subsidiary is being wound down in a managed fashion. The inter-company loan of £171k has been written off.
Generate a surplus on Abbots Langley nursery operations and contribute an overhead	£88k surplus £71k overhead	An occupancy lull part way through the year reduced the surplus. Increased occupancy back in place by year end Ofsted 'Good' rating in place
Incorporate the Early Childhood Partnership, deliver a good service and recover a recharge	£1m pa turnover (fye) secured £80k pa (fye) overhead secured	The Bedford Borough children's centre contract was secured which runs from 1 September 2016 to 31 March 2021. It has an annual turnover of £1m per annum and the support services and governance provision will recover an overhead of £80k per annum using existing resources.
Effective delivery of the Hertfordshire and Central Bedfordshire Children's Centre contracts	On track	The contracts are operating well, delivering good services to beneficiaries and performing to budget.
Performance improvement of Watford Gym	£(3)k deficit	Hall and room hire income has performed well. However, gym membership has fallen as a result of the neighbouring redevelopment works affecting trade.
Recruit a new Director of Enterprise in order to drive up non-social housing enterprise performance	Complete	New Director of Enterprise started work in April 2016



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Initiative	Status, saving or gain	Comments
Take action on poor performing non-social housing activities that are not returning the desired financial and/or social returns	Action being taken £(57) k deficit	The Abbots Langley and St Albans gyms under-performed for a further year and returned a £(57)k deficit. A Gym Recovery Plan is in place under the leadership of the Director of Enterprise with a view to achieving surplus and sustainable operations.
Construct the multi-use games area (MUGA) area at Abbots Langley	Complete	£210k of capital investment made to the Abbots Langley site with a view to increasing income in years to come.
Increase volunteering levels	11,831 hours	The volunteering time was valued at approximately £100k. The impact of volunteering helps the Charity work with service users in different ways that delivers impact and leverages new skills and approaches.
Achieve £165k of fundraised income for youth work	£170k achieved	The fundraising income target was achieved which enabled youth work for young beneficiaries.
Undertake business re-modelling to facilitate the change projects at High Wycombe and Early Childhood Partnership	Complete £40k overhead achieved	Full TUPE, induction and finance arrangements established at both High Wycombe and with the Early Childhood Partnership in Bedford using existing resources supplemented with professional advisors. Corporate standards rolled out wherever possible on the grounds of efficiency.
Participation in the Finance & Human Resources Count benchmarking club to identify areas of good performance and ones to improve upon	Complete	Finance Count completed for 2015/16 – results covered in Value for Money statement HR Count completed for 2016/17 – results covered in Value for Money statement These exercises will inform future efficiency assessments.

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 2016/17 value for money self-assessment 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 Homes and Communities Agency 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.



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- 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,
- Support services.

### **Achievements and performance**

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

#### Accommodation

- Approving a new Housing Strategy 2016-2021 and commencing the delivery of the agreed work plan.
- Offering 123,112 nights' sleep in supported housing accommodation to single homeless people.
- Providing 132 nights' sleep through the emergency provision in Welwyn Garden City.
- Assisting 219 people to positively move on into settled accommodation.
- Facilitating 487 residents to participate in targeted programmes.
- Continuing to develop the new complex needs provision which, through 426 additional tailored individual sessions, saw 78 residents benefit from additional support along with 38 residents utilising the specialist counselling service.
- In addition to completing Support Plan Reviews and Risk Assessment with all residents, a further 14,816 Contact Sessions and 1,717 Key Work Sessions were logged / recorded
- Sustaining an improvement in occupancy at High Wycombe Hostel throughout this initial year of management resulting in an average of 95% occupancy levels, which represents 10% improvement on the previous year.
- 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.
- Successfully winning the Hertfordshire 16-25 housing advice and information commissioned service contract in partnership with Herts Young Homeless.

#### Health and wellbeing

- Facilitated 96,227 separate fitness sessions.
- Delivering 274 sessions for people with disabilities giving access to sport and dance with over 2,100 participants.
- Macmillan Move More Project has supported 285 service users comprising 81 male and 204 female beneficiaries.
- Gymnastics has gone from 156 sessions back in 2015 to now running 740 per year. The club's membership has grown from 30 members to over 400 in 2017.
- Fit For Life (FFL) – 390 FFL sessions delivered over the three gym sites with a total of over 319 FFL members accessing YMCA sites.
- Constructed the multi-use games area (MUGA) area at Abbots Langley.

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- Developing membership sales and retention at St Albans & Abbots Langley Gyms.

#### Family work

- Nursery
  - 163 families used the day nursery
  - Occupancy average of 73%
  - Supported five families in need by offering a total of 3,608 hours of free childcare.
- Children's Centres
  - Providing Children's Centre services reaching 5,232 children and supporting 130 children on a child protection or child in need plan and a further 1,718 children who are vulnerable and received targeted support due to their circumstances.
  - Improving the Flitwick Children's Centre registration by 14% with a 40% rise in engagement with under 1's which is as a result of working more closely with the health teams and in particular supporting the baby weighing clinics.
  - Developing the Hertfordshire Children's Centres with Royston and Buntingford Group achieving registration levels of 100% and engagement of 85% for under 1's which puts them into the 'Outstanding' level from the Ofsted Framework.
  - Continuing to foster close partnerships and working relationships with social care and health services for the benefit of the families who are cared for.
  - Both the Hertfordshire Children's Centre Groups have been working towards the Healthy Children's Centre award. Royston and Buntingford group have been awarded it and Ware are awaiting their recognition visit. The aim of the programme is to improve health and wellbeing outcomes for children and families and requires the staff to provide evidence of their work and outcomes achieved. The programme was set by Herts for Learning, Public Health and Childhood Support Services. YMCA was congratulated on its high level of commitment to the programme, and the healthy ethos that has been embedded across the work of the children's centre groups. This commitment to the Healthy Children's Centre programme will continue as the group celebrate their achievements, and keeps working to improve the health and wellbeing of children and their families.
  - YMCA has introduced an online booking system for parents which has significantly reduced the number of calls to the children's centre saving staff time. This was introduced as a result of a parent satisfaction survey in which 80% of parents stated that they would prefer to book online. The introduction of online evaluations is taking place which will become automated for any events booked online.
  - Achieving an average of 94% in independent parent satisfaction surveys.

#### Support and advice

- Youth
  - Commencing Children in Need project operations in Stevenage.
  - Taking on 15 The Hyde in Stevenage and launching an activity programme from the site.
  - Delivering a full programme of youth work across Watford, Three Rivers, Stevenage and Welwyn Hatfield areas.
  - Starting a new mental health and wellbeing project in Watford.
  - Working with 3,092 young people through youth clubs.
  - Engaging with 2,871 young people in outreach and detached sessions.
  - Engaging 866 young people in targeted project activities.
  - Delivering 1-2-1 mentoring sessions and 151 outcome star assessments.
  - Achieving a 20% improvement in the way young people viewing their wellbeing and ability to make a difference.
- Community Centre
  - Achieving a total footfall of 44,897 and facilitated 99 hours of Diabetes training.
  - Hosting 1,205 exercise activities took place and facilitated 457 activities for customers aged 60 plus.

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- Facilitating 137 free youth club hours.
- Providing 3,585 community hours of centre use.

#### Support services

- Finance and Human Resources
  - Establishing the finance system change project to deploy the Sun accounting solution in 2017/18,
  - Implementing the people and finance strategies on the new High Wycombe & Bedford contracts,
  - Investing in finance & payroll systems to gain process efficiencies and improve quality of internal reporting,
  - Outsourcing payroll to manage risk and resilience,
  - Attaining reaccreditation to liP Bronze and as a disability confident employer
  - Completing the annual review of the People Strategy,
  - Developing the use and tracking of recognition for thanking staff, awarding of vouchers for individual excellence and team building events.
- ICT
  - Implementing the High Wycombe and Bedford ICT solutions.
  - Successfully deploying Pyramid and Inform systems at High Wycombe.
  - Replacing much of the High Wycombe and Bedford ICT infrastructure.
  - Investing in cloud PBX solutions at Charter House, High Wycombe and Orbital centres.
  - Deploying 0300 numbers for new service areas.
  - Securing a new ICT supplier for the Early Childhood Partnership services in order to test and evaluate a fully cloud based solution.
- Property & Safety
  - Recognising a total number of 3,717 repair orders raised in the year with an average of 95% completed within scheduled time scale. Pyramid repairs reporting was rolled out at High Wycombe.
  - Completing two rounds of safety audits. The average score has increased from 80% in 2015 to 89% in mid-2016 and is now at 92% by March 2017. There were six sites with a score of 100% and another 2 sites scored 95%.
  - Improving the overall mandatory training compliance from 51% in July 2016 to 85% at the end of March 2017 which is on target.
  - Commencing the SafeContractor accreditation process with the formal evaluation and audit now awaited.
- Undertaking a group review of risk assessment arrangements with scrutiny by the Health & Safety Forum.
- Undertaking a board effectiveness review, trustee skills mapping and launching a trustee recruitment campaign.
- Completing the Code of Governance review to underpin the Group's leadership and governance activities.

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

#### **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 securing the High Wycombe management agreement from 18 April 2016 which enabled a further 126 units to be added into the Group's management. A significant investment in time and capacity was made to develop the people who work at High Wycombe and deliver new systems, infrastructure and improved property legislative compliance. This has resulted in improved operations and better performance.

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The Group also invested extensive leadership and management time in the formation of Early Childhood Partnership as a subsidiary. The Partnership has operated the Bedford Borough children’s centre contract since 1 September 2016 and has got off to a positive start. This contract runs to 2021 and has expanded the Group’s activities in an area of strength.

It is envisaged that further strategic partnerships will take place in 2017/18 as neighbouring YMCAs look at practical ways in which they can partner, work and join together where there are clear beneficiary and organisational advantages in doing so.

During the Spring of 2017, the Group worked in partnership with Herts Young Homeless to tender for the 16-25 housing advice and information service. The submission was successful and this new activity commenced on 1 April 2017 and is a three-year contract.

The Group has invested time in developing a new ‘assessing strategic opportunities’ model against which to test project, programmes and partnerships and whether they are in the best interests of the Charity. This work has been shared amongst the YMCA Federation and has been published in the ‘Governance & Leadership’ journal. In looking at new opportunities, the Group’s Trustee Board has already found it to be a useful means of determining some new projects and their attractiveness.

**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:

- 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,
- Deliver a more positive and sustainable future for gyms and retail operations,
- Effective marketing plans to drive up customer sales, retention and income levels,
- Submit more fundraising bids,
- Challenge expenditure levels,
- Ensure that all service areas are exceeding performance targets.

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 model for social housing activities is established and operates well. The Group has taken steps to embed its non-social housing activity funding model so that the primary purpose enterprise activities fund the youth work aspirations. With regard to this, the surpluses made on Abbots Langley Nursery, community centre and investment income have funded its youth activities in the year under review.

The Group sustained a poor return on its retail fundraising operations and that is in the process of being wound down. After a further year of under-performance, active management and a formal recovery plan is

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being deployed to deliver a turnaround on the Abbots Langley and St Albans gym operations so that they make a surplus contribution to the Group. Further work and development is required to deliver the optimum operating levels in relation to non-social housing activities.

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.

The Strategy has a full work programme and this is shaping the 2017 development activities and progress is being tracked by the Resources Committee at each of its meetings. The Strategy will be updated on an annual basis given both the broad housing funding debate as well as local priorities.

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.

#### **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,



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### **Report and financial statements for the year ended 31 March 2017**

- 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 and equal opportunities policies. The next review is scheduled for November 2017.


The risk management and internal controls arrangements are described in more detail in the Report of the Trustee Board on page 17.

#### **Borrowings**

At year end, the Group had long term borrowings of £420,815 (2016: £438,900) which are secured against an income generating asset: two of the supported housing hostels.

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 2 August 2017 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 2017.

### 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, Diane Morrad and Derek Hyde stood down as Trustees. The Trustee Board undertook a skills audit which underpinned a trustee recruitment campaign commencing in the spring of 2016 which resulted in Clare Hearnshaw, John Ball and Jane Cotton becoming trustees between December 2016 and March 2017. The Board will be undertaking a further recruitment exercise that is linked to its future skills needs in relation to supported housing and treasurership. The Board undertook a board effectiveness review which reported in November 2016. 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 2017. The 2017 Board Effectiveness Review will be externally facilitated by CASS Business School's Centre for Charity Effectiveness.

### 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:

- 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,

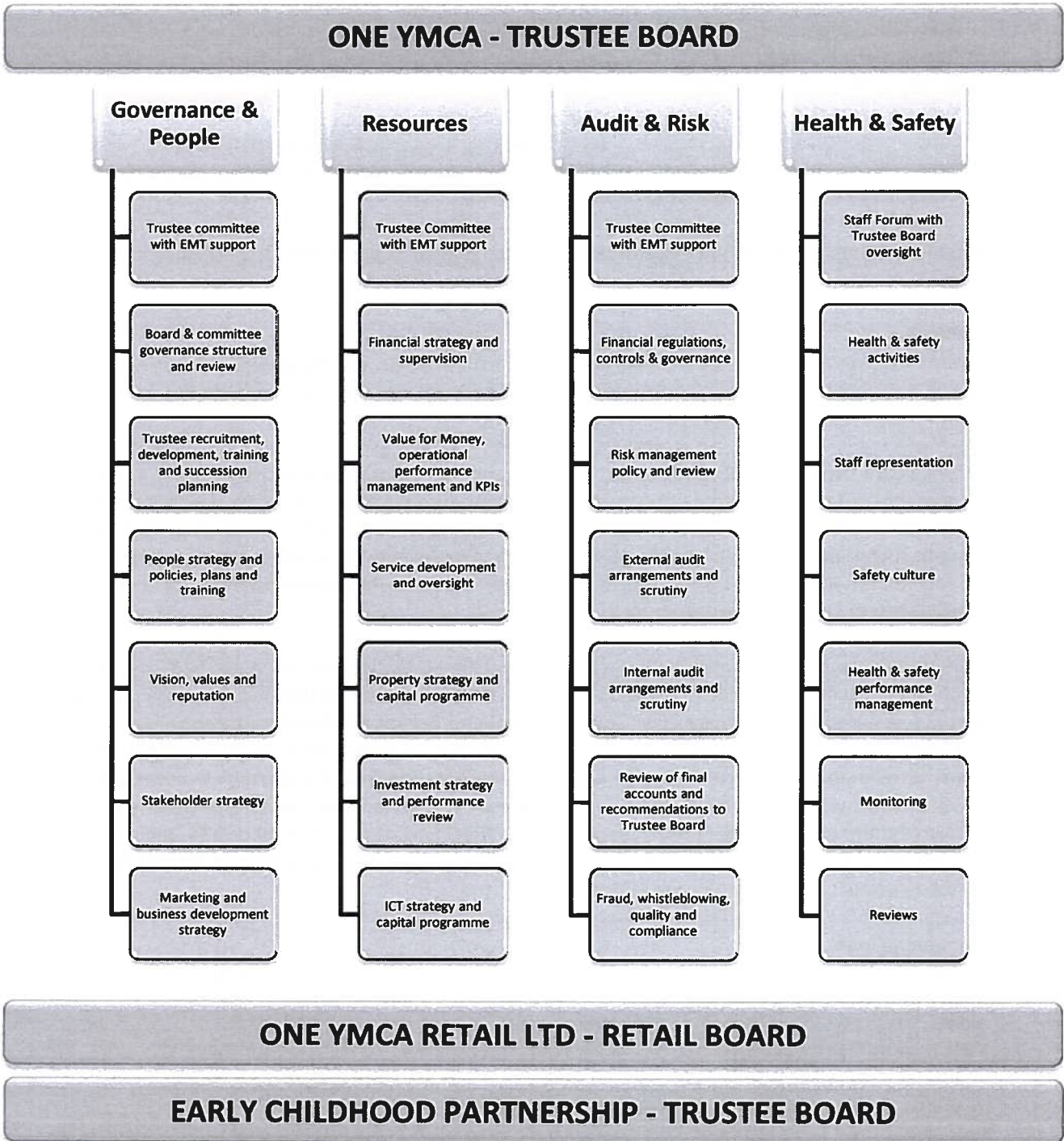
**ONE YMCA**

**Report and financial statements for the year ended 31 March 2017**

- Ensured that group policies and control frameworks such as financial regulations applied on a group basis.

The Trustee Board is represented on both the Retail Subsidiary board of directors and on the Trustee Board of Early Childhood Partnership.

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.



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### Report and financial statements for the year ended 31 March 2017

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

As at 31 March 2017, the membership of each committee was as follows:

Governance & People	Resources	Audit & Risk	Health & Safety
Bob Green (Chair)	John Robinson (Chair)	Nick Mourant (Chair)	John Robinson
Clare Hearnshaw	John Ball	Tom Buffham	Company Secretary (Chair)
Nigel Johnson	Tom Buffham	John Robinson	Executive team
Nicola Lucas	Ben Johnson		Service representatives
Christine Neyndorff	Nick Mourant		

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. On an annual basis, the Trustee Board reviews its skills mix in order to ensure that any recruitment exercises are targeted at areas of need.

#### 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. A new Director of Housing took up post in May 2017 to complete the four person team. They act within the authority delegated by the Trustee Board.

#### Employees

The strength of the Group lies in the quality of all its employees and their contribution to achieving the goals of the objectives set for each department. 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 all employees who are engaged on a permanent contract of employment and are not apprentices. 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

## **ONE YMCA**

### **Report and financial statements for the year ended 31 March 2017**

- Median bonus gender pay gap – Nil
- 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 50% male and 50% female at an Executive level.

#### **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.

#### **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 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 July 2016 and has been reviewed again during the summer of 2017.

#### **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 did not make any charitable or political donations.

#### **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.



## ONE YMCA

### Report and financial statements for the year ended 31 March 2017

#### 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 2017 were as follows:

<u>Reserves</u>	<u>£</u>
Housing property revaluation reserve	5,644,254
Revenue reserve	7,285,476
<b>Total unrestricted funds (revenue reserve)</b>	<b><u>£12,929,730</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 £7,285,476 of which free reserves total £3,893,220. 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.

#### 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 Homes and Communities Agency 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 YMCA**

### **Report and financial statements for the year ended 31 March 2017**

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2016 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.

A fraud register is maintained and is reviewed by the Audit & Risk Committee on a regular basis. During the year there were no findings of fraudulent activity.

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.

### **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:



## ONE YMCA

### Report and financial statements for the year ended 31 March 2017

- 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 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 2017.

The Report of the Trustee Board was approved by the Trustees on 2 August 2017 and signed on their behalf by:



Andrew Newell  
Chairman & Trustee

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

We have audited the financial statements of One YMCA for the year ended 31 March 2017, 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 the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

**Respective responsibilities of the board of directors and auditors**

As explained more fully in the Statement of Responsibilities of the Trustee Board (set out on pages 20 to 21), the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent company's affairs as at 31 March 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015; and
- have been prepared in accordance with the Companies Act 2006

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

In our opinion, based upon 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.

In the light of our knowledge and understanding of the charity 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.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from sites not visited by us; or
- the parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Tracey Young, Senior Statutory Auditor

For and on behalf of haysmacintyre

Statutory Auditor, 26 Red Lion Square, London WC1R 4AG

**ONE YMCA**  
**Report and financial statements for the year ended 31 March 2017**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Turnover	3	9,130,884	8,134,042
Operating expenditure	3	(8,832,078)	(8,077,599)
<b>Operating Surplus</b>	<b>4</b>	<b>298,806</b>	<b>56,443</b>
Gain / (loss) on disposal of property, plant and equipment	5	43	(93)
Interest receivable and other income	6	64,291	46,554
Interest and financing costs	7	(46,599)	(48,939)
Movement in fair value of financial instruments	13	370,220	(51,704)
<b>Surplus for the year</b>		<b>686,761</b>	<b>2,261</b>
Actuarial gains / (losses) relating to Pension Fund	17	15,000	20,000
<b>Total comprehensive income for the year</b>		<b>701,761</b>	<b>22,261</b>

**COMPANY STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Turnover	3	8,293,092	7,824,765
Operating expenditure	3	(8,159,943)	(7,777,169)
<b>Operating Surplus</b>	<b>4</b>	<b>133,149</b>	<b>47,596</b>
Gain / (loss) on disposal of property, plant and equipment	5	43	(93)
Interest receivable and other income	6	70,108	52,625
Interest and financing costs	7	(46,599)	(48,939)
Movement in fair value of financial instruments	13	370,220	(51,704)
<b>Surplus / (deficit) for the year</b>		<b>526,921</b>	<b>(516)</b>
Actuarial gains / (losses) relating to Pension Fund	17	15,000	20,000
<b>Total comprehensive income for the year</b>		<b>541,921</b>	<b>19,484</b>

The accompanying notes form part of these financial statements.

The accounts were approved by the Trustee Board on 2 August 2017 and were signed on its behalf by:

Andrew Newell

Chairman and Trustee

John Robinson

Treasurer and Trustee

**ONE YMCA**  
**Report and financial statements for the year ended 31 March 2017**

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

<b>GROUP</b>	<b>Income &amp; expenditure reserve</b>	<b>Property revaluation reserve</b>	<b>Total</b>
<b>Balance at 1 April 2016</b>	£ 6,518,106	£ 5,709,863	£ 12,227,969
Surplus from income and expenditure account	701,761	-	701,761
Transfer from revaluation reserve to income and expenditure reserve	65,609	(65,609)	-
<b>Balance at 31 March 2017</b>	<b>7,285,476</b>	<b>5,644,254</b>	<b>12,929,730</b>

<b>COMPANY</b>	<b>Income &amp; expenditure reserve</b>	<b>Property revaluation reserve</b>	<b>Total</b>
<b>Balance at 1 April 2016</b>	£ 6,687,133	£ 5,709,863	£ 12,396,996
Surplus from income and expenditure account	541,921	-	541,921
Transfer from revaluation reserve to income and expenditure reserve	65,609	(65,609)	-
<b>Balance at 31 March 2017</b>	<b>7,294,663</b>	<b>5,644,254</b>	<b>12,938,917</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

**ONE YMCA**  
**Report and financial statements for the year ended 31 March 2017**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

Registered company 4430743

	Notes	2017 £	Group 2016 £	2017 £	Company 2016 £
<b>Fixed assets</b>					
Tangible fixed assets	11,12	10,562,086	10,478,916	10,558,303	10,449,241
Investments	13	3,296,849	2,927,130	3,306,849	2,937,130
		<u>13,858,935</u>	<u>13,406,046</u>	<u>13,865,152</u>	<u>13,386,371</u>
<b>Current assets</b>					
Trade and other debtors	14	463,697	747,820	432,452	886,701
Cash and cash equivalents		1,566,186	946,608	1,423,432	917,591
		<u>2,029,883</u>	<u>1,694,428</u>	<u>1,855,884</u>	<u>1,804,292</u>
<b>Creditors: falling due within one year</b>	15	1,432,512	1,307,913	1,255,543	1,229,075
<b>Net current assets</b>		<u>597,371</u>	<u>386,515</u>	<u>600,341</u>	<u>575,217</u>
Creditors: falling due after more than one year	16	556,882	513,633	556,882	513,633
Pension funds	17	969,694	1,050,959	969,694	1,050,959
<b>Total net assets</b>		<u><b>12,929,730</b></u>	<u><b>12,277,969</b></u>	<u><b>12,938,917</b></u>	<u><b>12,396,996</b></u>
<b>Capital and reserves</b>					
Housing property revaluation reserve		5,644,254	5,709,863	5,644,254	5,709,863
Revenue reserve		7,285,476	6,518,106	7,294,663	6,687,133
<b>Total reserves</b>		<u><b>12,929,730</b></u>	<u><b>12,227,969</b></u>	<u><b>12,938,917</b></u>	<u><b>12,396,996</b></u>

The accompanying notes form part of these financial statements.

The accounts were approved by the Trustee Board on 2 August 2017 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 2017

	2017 £	2016 £
<b>Net cash generated from operating activities</b>		
Surplus for the financial year	686,761	2,261
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	378,794	419,249
Decrease / (increase) in trade and other receivables	284,124	92,580
(Decrease) / increase in trade and other creditors	181,269	(91,627)
Decrease / (increase) in stock	-	-
Carrying amount of fixed asset disposals	-	93
Movement in fair value of financial instruments	(370,220)	51,704
Pension costs less contributions payable	(61,601)	(58,261)
Interest paid	13,682	14,319
Interest received	(64,292)	(46,554)
<b>Cash generated from operating activities</b>	<b>1,048,517</b>	<b>383,764</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(461,462)	(242,199)
Interest received	64,292	46,554
<b>Net cash from investing activities</b>	<b>(397,170)</b>	<b>(195,645)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(13,682)	(14,319)
Repayments of borrowings	(18,086)	(18,082)
<b>Net cash used in financing activities</b>	<b>(31,768)</b>	<b>(32,401)</b>
<b>Net increase in cash and cash equivalents</b>	<b>619,578</b>	<b>155,718</b>
Cash and cash equivalents at beginning of year	946,608	790,890
<b>Cash and cash equivalents at end of year</b>	<b>1,566,186</b>	<b>946,608</b>
<b>Cash and cash equivalents at 31 March</b>		
Cash	1,566,186	946,608
Cash equivalents	-	-
	<b>1,566,186</b>	<b>946,608</b>

The accompanying notes form part of these financial statements.



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

**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 Homes & Communities Agency 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 2017. 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 2017**

Revenue grants are receivable when the conditions for receipts of agreed grant funding have been met. Charges for support services funded under Supporting People 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 2017**

<u>Component</u>	<u>Useful economic life</u>
Non-Housing Leasehold improvements	Over the term of the lease (mostly 5-10 years)
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)

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

provided by Friends Life which is open to all employees.

**(l) Social Housing Grant**

Social Housing Grant (SHG) is receivable from the Homes & Communities Agency (HCA) 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 HCA or received in advance is included as a current asset or liability. SHG is subordinated to the repayment of loans by agreement with the HCA. 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 statements.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****3. 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>			
STEP resident employability programme	-	-	-
Supporting People	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 Centre	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>

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

2016	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,092,674	2,772,690	319,984
<b>Other social housing activities:</b>			
STEP resident employability programme	-	36,502	(36,502)
Supporting People	1,214,487	1,225,808	(11,321)
<b>Total – social housing activities</b>	<b>4,307,161</b>	<b>4,035,000</b>	<b>272,161</b>
Other non-social housing	28,937	8,970	19,967
<b>Total housing activities</b>	<b>4,336,098</b>	<b>4,043,970</b>	<b>292,128</b>
<b>Non-social housing activities</b>			
Health & wellbeing	959,428	970,998	(11,570)
Child and family services	1,995,317	2,117,307	(121,990)
Youth & Community	250,956	415,598	(164,642)
Retail	339,277	334,253	5,024
Community Centre	166,057	150,024	16,033
Government grants taken to income	10,313	10,313	-
Other grants taken to income	1,624	1,624	-
Other	74,972	33,512	41,460
	<b>3,797,944</b>	<b>4,033,629</b>	<b>(235,685)</b>
	<b>8,134,042</b>	<b>8,077,599</b>	<b>56,443</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****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>			
STEP resident employability programme	-	-	-
Supporting people	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 Centre	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>

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

2016	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
<b>Social Housing:</b> Rent receivable	3,092,674	2,772,690	319,984
<b>Other social housing activities:</b>			
STEP resident employability programme	-	36,502	(36,502)
Supporting people	1,214,487	1,225,808	(11,321)
<b>Total – social housing activities</b>	<b>4,307,161</b>	<b>4,035,000</b>	<b>272,161</b>
Other non-social housing	28,937	8,970	19,967
<b>Total housing activities</b>	<b>4,336,098</b>	<b>4,043,970</b>	<b>292,128</b>
<b>Non-social housing activities</b>			
Health & wellbeing	959,428	970,998	(11,570)
Child and family services	1,995,317	2,117,307	(121,990)
Youth & Community	250,956	415,598	(164,642)
Community Centre	166,057	150,024	16,033
Government grants taken to income	10,313	10,313	-
Other grants taken to income	1,624	1,624	-
Other	104,972	67,335	37,637
	<b>3,488,667</b>	<b>3,733,199</b>	<b>(244,532)</b>
	<b>7,824,765</b>	<b>7,777,169</b>	<b>47,596</b>



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****Turnover, operating costs and operating surplus (continued)**

	2017	Group 2016	2017	Company 2016
	£	£	£	£
<b>Operating costs for social housing:</b>				
Management	1,225,322	1,341,479	1,264,377	1,341,479
Services	815,652	834,331	815,652	834,331
Routine maintenance	354,667	272,749	354,667	272,749
Planned maintenance	26,104	33,306	26,104	33,306
Rent losses from bad debts	105,031	45,101	105,031	45,101
Depreciation of housing properties and equipment	237,506	248,724	237,506	248,724
	<b>2,764,282</b>	<b>2,772,690</b>	<b>2,803,337</b>	<b>2,772,690</b>

Void losses: notional calculation of income lost from vacant rooms	241,935	166,728	241,935	166,728
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Number of registered accommodation units <i>(Included within the above are 275 Supported Bed Spaces and 126 managed units)</i>	454	328	454	328
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**4 Operating surplus**

	2017	Group 2016	2017	Company 2016
	£	£	£	£
<b>The operating surplus is arrived at after charging:</b>				
Depreciation	378,794	419,249	352,902	412,604
Operating lease payments:				
- Land and buildings	225,800	169,296	162,341	109,204
- Vehicles	5,500	5,565	-	-
Auditors' remuneration (excluding VAT)				
- Fees payable for the audit of the financial statements	22,000	19,700	17,000	17,700

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

	2017	Group 2016	2017	Company 2016
	£	£	£	£
Disposal proceeds	43	0	43	0
Carrying value of fixed assets	-	93	-	93
	<b>43</b>	<b>(93)</b>	<b>43</b>	<b>(93)</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****6. Interest receivable and other income**

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Interest receivable and similar income	3,801	5,435	9,618	11,506
Income from listed investments	60,490	41,119	60,490	41,119
Interest from other investments	-	-	-	-
	<u>64,291</u>	<u>46,554</u>	<u>70,108</u>	<u>52,625</u>

**7. Interest and financing costs**

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Defined benefit pension charge	32,917	34,621	32,917	34,621
Loan and bank overdrafts	13,682	14,318	13,682	14,318
	<u>46,599</u>	<u>48,939</u>	<u>46,599</u>	<u>48,939</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 £1,578 (2016 : £1,070) during the year.

Executive Directors	Basic salary	Pension contribs.	2017 Total	2016 Total
	£	£	£	£
<b>Chief Executive</b>				
Guy Foxell	91,118	7,286	98,404	97,401
<b>Director of Resources</b>				
David Martin	75,067	6,002	81,069	76,371
<b>Director of Enterprise</b>				
Joanna Keay	56,869	1,705	58,574	-
	<u>223,054</u>	<u>14,993</u>	<u>238,047</u>	<u>173,772</u>

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

The full time equivalent number of staff who received emoluments:	2017	2016
	No	No
£60,001 to £70,000	2	1
£70,001 to £80,000	0	1
£80,001 to £90,000	1	-
£90,001 to £100,000	1	1

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****9. Employee information**

Average monthly number of employees:	Group		Company	
	2017	2016	2017	2016
	No	No	No	No
Housing	82	76	70	75
Support Services	21	19	21	19
Sports, health & fitness	37	34	37	34
Child & family services	76	73	76	73
Youth & community	12	20	12	20
Orbital Community Centre	6	5	6	5
Retail	9	9	-	-
Early Childhood Partnership	22	-	-	-
<b>Total</b>	<b>265</b>	<b>236</b>	<b>222</b>	<b>226</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Staff costs (for the above persons)</b>				
Wages and salaries	4,366,549	4,024,888	3,850,781	3,882,237
Social security costs	335,785	308,894	299,271	300,139
Other pension costs	96,000	104,191	89,440	103,318
<b>Total</b>	<b>4,798,334</b>	<b>4,437,973</b>	<b>4,239,492</b>	<b>4,285,694</b>

During the year, termination payments of £44,346 (2016: £46,436) 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	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2016	3,700,000	4,856,000	1,555,610	10,111,610
Additions	-	-	65,930	65,930
At 31 March 2017	<b>3,700,000</b>	<b>4,856,000</b>	<b>1,621,540</b>	<b>10,177,540</b>
<b>Depreciation</b>				
At 1 April 2016	111,285	111,632	978,883	1,201,800
Providing during year	55,642	55,815	56,607	168,064
At 31 March 2017	<b>166,927</b>	<b>167,447</b>	<b>1,035,490</b>	<b>1,369,864</b>
<b>Net book value</b>				
At 31 March 2017	<b>3,533,073</b>	<b>4,688,553</b>	<b>586,050</b>	<b>8,807,676</b>
At 31 March 2016	<b>3,588,715</b>	<b>4,744,368</b>	<b>576,727</b>	<b>8,909,810</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****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	471,656	760,000	773,758	1,630,149	27,512	38,030	3,701,105
Additions	-	-	179,784	110,202	-	106,047	396,033
Transfer from WIP	-	-	38,030	-	-	(38,030)	-
Cost at 31 March 2017	471,656	760,000	991,572	1,740,351	27,512	106,047	4,097,138
<b>Depreciation</b>							
At 1 April 2016	267,274	17,472	525,326	1,296,602	25,325	-	2,131,999
Providing during year	17,200	8,700	49,067	134,123	1,639	-	210,729
At 31 March 2017	284,474	26,172	574,393	1,430,725	26,964	-	2,342,728
<b>Net book value</b>							
At 31 March 2017	187,182	733,828	417,179	309,626	548	106,047	1,754,410
At 31 March 2016	204,382	742,528	248,432	333,547	2,187	38,030	1,569,106

**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 2016	471,656	760,000	773,758	1,589,893	27,512	38,030	3,660,849
Additions	-	-	179,784	110,202	-	106,047	396,033
Transfer from WIP	-	-	38,030	-	-	(38,030)	-
Disposals	-	-	-	-	-	-	-
Cost at 31 March 2017	471,656	760,000	991,572	1,700,095	27,512	106,047	4,056,882
<b>Depreciation</b>							
At 1 April 2016	267,274	17,472	525,326	1,286,021	25,325	-	2,121,418
Provided during year	17,200	8,700	49,067	108,231	1,639	-	184,837
Released on disposal	-	-	-	-	-	-	-
At 31 March 2017	284,474	26,172	574,393	1,394,252	26,964	-	2,306,255
At 31 March 2017	187,182	733,828	417,179	305,843	548	106,047	1,750,627
At 31 March 2016	204,382	742,528	248,432	303,872	2,187	38,030	1,539,431

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****13. Investments**

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fair value</b>				
As at 1 April 2016				
Listed on a recognised stock exchange	2,925,629	2,977,333	2,925,629	2,977,333
Additions	-	791,783	-	791,783
Disposals	-	(791,783)	-	(791,783)
Realised gains / (losses) on disposals	-	177,320	-	177,320
Unrealised gains on valuation	370,220	(229,024)	370,220	(229,024)
As at 31 March 2017	<u>3,295,849</u>	<u>2,925,629</u>	<u>3,295,849</u>	<u>2,925,629</u>
<b>Non-listed investments held at historical cost</b>				
As at 1 April 2016	1,500	1,500	11,500	11,500
Disposals	(500)	-	(500)	-
As at 31 March 2017	<u>1,000</u>	<u>1,500</u>	<u>11,000</u>	<u>11,500</u>
<b>Total investments as at 31 March</b>	<u>3,296,849</u>	<u>2,927,129</u>	<u>3,306,849</u>	<u>2,937,129</u>

An investment in 10,000 £1 ordinary shares in One YMCA Retail Ltd, incorporated in England, a wholly owned subsidiary, which is a trading company selling donated goods. One YMCA Retail Ltd has undergone changes since 31 March 2017 and is winding down its affairs. This will be reflected in the 2017/18 accounts.

An investment of 500 £1 ordinary shares in Stevenage Solutions CIC, incorporated in England, was written off in 2017 as the Company is being dissolved.

The Company has an investment of 1,000 £1 ordinary shares in YMCA Hertfordshire CIC, incorporated in England which equates to a 66% holding. YMCA Hertfordshire CIC is currently dormant.

**14. Debtors**

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent arrears (including housing benefit, and resident arrears)	200,974	194,650	200,974	194,650
Less provision for doubtful debt	(71,041)	(52,204)	(71,041)	(52,204)
	<u>129,933</u>	<u>142,446</u>	<u>129,933</u>	<u>142,446</u>
Students (Steiner college)	45,700	48,292	45,700	48,292
	<u>175,633</u>	<u>190,738</u>	<u>175,633</u>	<u>190,738</u>
Trade debtors	165,130	344,333	158,757	343,830
Less provision for doubtful debt	-	(9,917)	-	(9,917)
	<u>165,130</u>	<u>334,416</u>	<u>158,757</u>	<u>333,913</u>
Other debtors	4,330	10,767	-	2,102
Prepayments and accrued income	118,604	211,899	95,425	188,804
Amounts due from subsidiary	-	-	2,637	171,144
	<u>463,697</u>	<u>747,820</u>	<u>432,452</u>	<u>886,701</u>

The decrease in Trade Debtors was as a result of improving debt collection. During the year, the inter-

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

company loan from One YMCA Retail Ltd was written off due as it was irrecoverable and that company will be wound up in 2017/18.

**15. Creditors**

<b>Amounts falling due within one year</b>	<b>2017 Group £</b>	<b>2016 Group £</b>	<b>2017 Company £</b>	<b>2016 Company £</b>
Current instalments due on loans (see note 16 for security details)	18,712	18,086	18,712	18,086
Trade creditors	138,637	349,984	133,678	326,557
Other taxes and social security costs	200,055	157,517	195,313	153,944
Other creditors	268,834	161,792	262,953	161,605
Amounts due to subsidiary	-	-	15,365	2,944
Deferred grant income	15,365	11,937	1,175	11,937
Accruals and deferred income	790,909	608,598	628,347	554,002
	<b>1,432,512</b>	<b>1,307,913</b>	<b>1,255,543</b>	<b>1,229,075</b>

**16. Creditors**

<b>Amounts falling due after more than one year</b>	<b>2017 Group £</b>	<b>2016 Group £</b>	<b>2017 Company £</b>	<b>2016 Company £</b>
Bank loan	353,293	371,704	353,293	371,704
Other loans	48,810	49,110	48,810	49,110
Deferred grant income	154,779	92,819	154,779	92,819
	<b>556,882</b>	<b>513,633</b>	<b>556,882</b>	<b>513,633</b>

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 £49,110 at 31 March 2017 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 2017 is £371,704 (2016: 389,502).

<b>Based on the earliest repayment date, borrowings are repayable as follows:</b>	<b>2017 Group</b>	<b>2016 Group</b>	<b>2017 Company</b>	<b>2016 Company</b>
One year or less	18,712	18,086	18,712	18,086
One year or more but less than two years	19,340	18,712	19,340	18,712
Two years or more but less than five years	62,130	60,048	62,130	60,048
Five years or more	320,633	342,054	320,633	342,054
	<b>420,815</b>	<b>438,900</b>	<b>420,815</b>	<b>438,900</b>

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.



**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

<b>Deferred Capital Grants</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</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	104,756	116,693	104,756	116,693
Additions	81,777	-	81,777	-
Released to Statement of Comprehensive Income	(16,389)	(11,937)	(16,389)	(11,937)
As at 31 March	<b>170,144</b>	<b>104,756</b>	<b>170,144</b>	<b>104,756</b>

<b>Deferred income to be released to the statement of comprehensive income:</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</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	15,365	11,937	15,365	11,937
In more than one year	154,779	92,819	154,779	92,819
	<b>170,144</b>	<b>104,756</b>	<b>170,144</b>	<b>104,756</b>

**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>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Hertfordshire County Council	-	15,000
YMCA	1,035,618	1,097,220
<b>Total pension liability</b>	<b>1,035,618</b>	<b>1,112,220</b>

**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 2017 by a qualified independent actuary.

The employer's contribution to the HCCPF by the Company for the year ended 31 March 2017 was £4,519 (2016: £5,226).

Estimated employer's contributions to the HCCPF during the accounting period commencing on 1 April 2017 is £4,600.

<b>Financial assumptions</b>	<b>31 March</b>	<b>31 March</b>
	<b>2017</b>	<b>2016</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount rate	2.6	3.6
Future salary increases	2.5	3.7

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

Inflation	2.4	2.2
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**Mortality assumptions**

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI2010 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:

	2017 No. of years	2016 No. of years
Current Pensioners:		
Males	22.5	22.3
Females	24.9	24.5
Future Pensioners*:		
Males	24.1	24.3
Females	26.7	26.7

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

	2017 £000's	2016 £000's
<b>Amounts recognised in the statement of comprehensive income</b>		
Current service cost	6	7
Net interest expenses	-	1
<b>Total defined benefit cost recognised in surplus or deficit</b>	<b>6</b>	<b>8</b>

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

	2017 £000's	2016 £000's
Opening scheme liabilities	141	150
Current service cost	6	7
Interest cost	5	5
Contributions by members	1	1
Remeasurements	4	(22)
Benefits paid	-	-
<b>Closing scheme liabilities</b>	<b>157</b>	<b>141</b>

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

	2017 £'000	2016 £'000
Opening fair value of scheme assets	126	118
Interest income	5	4
Return on plan assets (in excess of interest income)	20	(2)
Contributions by employer	5	5
Scheme participants' contributions	1	1
Benefits paid	-	-
<b>Closing value of fair value of plan assets</b>	<b>157</b>	<b>126</b>

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****Major categories of scheme assets as a percentage of total plan assets**

	2017	2016
	%	%
Equities	65	63
Bonds	25	26
Property	7	8
Cash	3	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 2017</b>		
0.5% decrease in real discount rate	11%	17
1 year increase in member life expectancy	3-5%	4
0.5% increase in the salary increase rate	3%	4
0.5% increase in the pension increase rate	8%	13

**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 2014. 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 5.35% and 3.85% respectively, the increase in pensions in payment of 3.3%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.6 years, female 24.6 years, and 24.8 years for a male pensioner, female 26.9 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £90.8m. This represented 70% 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 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. The Company has been advised that it will need to make monthly contributions of £8,851 from 1 May 2015 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 12 years commencing 1st May 2015. Using the discount rate based on AA corporate rate bond for the same period a liability with a net present value of £1,035,618 is recognised within provisions for this contractual obligation.

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**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

At 1 April 2016	1,097,220
Paid in year	(94,519)
Unwinding of discount included in finance costs	32,917
<b>At 31 March 2017</b>	<b><u>1,035,618</u></b>

	As at 31 Mar 17	As at 31 Mar 16
	£	£
Repayable within one year	65,925	61,261
Repayable in more than one year	1,145,055	1,242,400
Discount	(175,362)	(206,441)
<b>Total as at 31 March</b>	<b><u>1,035,618</u></b>	<b><u>1,097,220</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	
	2017	2016	2017	2016
	£	£	£	£
The following operating lease payments are committed to be paid				
within 1 year	80,722	151,157	80,722	66,900
within 1-2 years	75,650	502,759	75,650	267,600
within 5 years	194,867	736,897	194,867	521,243
	<u>351,239</u>	<u>1,390,813</u>	<u>351,239</u>	<u>855,743</u>

The material reduction in lease commitments is as a result of winding down the retail fundraising operations which has, or is due to, release a number of leasehold properties in the period of 1 April – 31 July 2017

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

The Company currently receive two grants from the Big Lottery Fund. These allowed the Company to deliver youth and community work that is targeted to local needs identified in Stevenage and Watford, both at the top of the deprivation lists for Hertfordshire. During 2017, funding of £67,223 (2016: £121,466) was received against expenditure incurred.

**BBC Children in Need**

The Company was awarded a grant from BBC Children in Need during 2017. The project provides youth drop in sessions, short-term projects and mentoring support to young people from local low-income households. During 2017, funding of £14,957 (2016: nil) was received against expenditure incurred.

**Garfield Weston Foundation – Your Life, Your Voice grant**

The Company received a grant of £10,000 (2016: nil) as a contribution towards expenditure on the Your Life, Your Voice project. This allows the Company to deliver weekly generic youth sessions across a range of locations in the Watford and Three Rivers areas.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017****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 is also a Director of One YMCA Retail Ltd and the Director of Resources is its Company Secretary.

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

At 31 March 2017, One YMCA owed One YMCA Retail Ltd £1,176 (2016: £(168,200)). Interest was received during the year in respect of the inter-company loan. As at 31 March 2017, the inter-company loan was written off in full as retail fundraising operations are not a continuing activity and the Company will exit those activities.

One YMCA is a corporate trustee and sole corporate member of Central Hertfordshire YMCA which is a dormant subsidiary. Four of the Trustees are also Trustees of Central Hertfordshire YMCA. These are Nigel Johnson, Nicholas Mourant, Christine Neyndorff and John Robinson. The Director of Resources is 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 are also Trustees of Early Childhood Partnership. These are Nigel Johnson, Christine Neyndorff and John Robinson. The Director of Resources is Company Secretary.

At 31 March 2017, Early Childhood Partnership owed One YMCA £2,637 (2016: Nil). 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.

**21. Capital commitments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Contracts placed for future capital commitments not provided in the financial statements	20,648	18,050

The contracted capital commitments at the 31 March 2017 relate to the completion of the boiler replacement at the Abbots Langley site. This project will complete in July 2017.

The Board has authorised, but not committed, capital expenditure of £300,000 relating to the redevelopment of the Woodlands site.

**22. Contingent liabilities**

As at 31 March 2017, 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 Homes & Communities Agency 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.

**NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

Both 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 2017, there were 38 members of the Company (2016: 40).