

Registered company:	4430743
Registered charity:	1102301
Registered housing provider:	H4418

**ONE YMCA
(LIMITED BY GUARANTEE)**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

J

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS

	Page
Corporate information	3
Operating & financial review and Strategic Report	4
Report of the Trustee Board	13
Independent auditor's report to the members of One YMCA	20
Consolidated income and expenditure account (statement of comprehensive income)	21
Company income and expenditure account (statement of comprehensive income)	21
Consolidated statement of changes in reserves	22
Consolidated balance sheet (statement of financial position)	23
Company balance sheet (statement of financial position)	23
Consolidated statement of cash flows	24
Notes to the financial statements (including FRS 102 transition notes and reserves reconciliation)	25

CORPORATE INFORMATION

TRUSTEE BOARD AND BOARD OFFICERS

Chairman	Andrew Newell
Vice Chairman:	Nicholas Mourant
Treasurer:	John Robinson
Trustees:	Tina Barnard (resigned 6 October 2015) Thomas Buffham (appointed 15 July 2015) Robert Green Derek Hyde Ben Johnson (appointed 15 July 2016) Nigel Johnson Nicola Lucas (appointed 15 July 2015) Diane Morrad (resigned 28 April 2016) Nicholas Mourant Jonathan Moxham (resigned 1 June 2015) Andrew Newell Christine Neyndorff John Robinson
Company Secretary:	David Martin

CORPORATE INFORMATION

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

EXECUTIVE MANAGEMENT TEAM

Chief Executive	Guy Foxell
Director of Resources	David Martin
Director of Housing & Community Services	Ron Dunning
Director of Enterprise	Joanna Keay (from 20 April 2016)

AUDITORS, BANKERS, INVESTMENT MANAGER AND SOLICITORS

Auditor (External)	haysmacintyre, 26 Red Lion Square, London, WC1R 4AG
Auditor (Internal)	BDO (UK) LLP, 55 Baker Street, London, W1U 7EU
Bankers:	HSBC Plc, 44-52 Lattimore Road, St Albans, Hertfordshire, AL1 3XL
Investment manager:	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Solicitors:	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 2016 is the second full year of operating the merged organisation through a single legal entity.

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 & community 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,
- Resolve the underperforming Hatfield Nursery by closing the operation,
- Recruit a new Director of Enterprise with the aim of improving the customer service, performance and efficiency of the budget gym and nursery operations,
- Develop the base of the Group so that it is ready to embrace strategic partnerships and collaborations,
- Reposition the investment portfolio to release an income stream to contribute towards youth work,
- 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 financial statements reflect the introduction of the Statement of Recommended Practice (SORP) for Social Housing Providers 2014 and FRS 102. Comparative figures have been restated accordingly. The Group returned an operating surplus on the Group's activities of £56,443 (2015: £ (240,454)). This includes the closure costs relating to Hatfield Nursery which is now a discontinued operation.

A surplus of £2,261 (2015: £61,598) was recorded for the Group after taking into account the reduction in the value of investments during the year. Total comprehensive income for the year was £22,261 (2015: £46,598).

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

- Increasing housing occupancy rates,
- Losing fee income as a result of closing the Hatfield Nursery operation,
- A poor year on gym sales at Abbots Langley and St Albans,
- Realising an investment profit,
- Receiving investment dividend receipts to assist with the funding of youth work,
- Experiencing unrealised investment valuation movements as a result of downward fluctuations in stock market pricing,
- Further reducing the employee headcount in some support services to release ongoing savings,
- Securing additional rent review income,
- 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.

ONE YMCA

Report and financial statements for the year ended 31 March 2016

During the 2015/16 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:

- Improving 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 Enterprise to lead on the improvement plan for Abbots Langley and St Albans gym operations,
- Delivering a surplus on the Watford gym operation,
- Returning a surplus on the Abbots Langley children's day nursery,
- Closing the Hatfield children's day nursery which was a non-social housing activity that did not have a sustainable future,
- Delivering profitability in the Trading Subsidiary,
- Completing the work to restructure the investment portfolio to generate income to assist in the funding of youth work.

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 work to deliver the desired performance.

On an ongoing basis, the Trustee Board is committed to operating a balanced operating budget. With regard to the 2016/17 financial year, a surplus 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.

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 customers, both present and future;
- Ensure that high levels of customer 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.

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:

ONE YMCA

Report and financial statements for the year ended 31 March 2016

Initiative	Status, saving or gain	Comments
Social housing		
Deliver the budget for social housing	£279k surplus	A 6.4% return was achieved which was in advance of budget
Deliver good occupancy performance to maximise income and service delivery to beneficiaries	Increase	Watford 2014/15 – 93.0% 2015/16 – 96.4% Welwyn Garden City 2014/15 – 96.5% 2015/16 – 96.8% Increased occupancy resulted in higher service user numbers and additional rental income as a result of lower void rates
Manage the impact of welfare reform on bad debt	Watford – improvement Welwyn Garden City – last year was better	Watford 2014/15 – 6.5% 2015/16 – 5.0% Welwyn Garden City 2014/15 – 3.8% 2015/16 – 4.9%
Complete the harmonisation of housing operating procedures across both Hostels	Complete	This work was commenced in 2014/15 and was completed in 2015/16. The benefit of this work has already been seen in the roll out of the standard procedures at High Wycombe with minimal extra work.
Undertake supplier reviews in order to reduce the number of suppliers and/or cost	Commenced	A project to streamline telephony and internet services across the Group was commenced in February 2016 and was completed in June 2016. This will deliver a primary supplier and enable efficiency savings through release lines and unnecessary contract costs. The bulk of the telephony requirements relate to housing operations.
Complete the catering tender exercise to deliver a single catering solution with efficiency savings	Complete Savings to be released in 2016/17	The OJEU tender process was successfully completed and the new contract went live on 1 April 2016 which was on time. It is anticipated that efficiency savings will be released in the 2016/17 financial year
Use of the Pyramid housing repairs system to track work flow and target job completion	2,868 repairs completed 95.6% 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. 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 will enable existing management and overhead costs to be spread over a wider base with a £50k efficiency improvement.
Undertake stress testing exercises	Complete	A full stress test was undertaken 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.
Non-social housing activities		
Generate a surplus on trading subsidiary operations, contribute an overhead and repayment of the inter-company loan	£3k surplus £30k overhead £18k repayment	A good first half year of trading, but the second half experienced a change of three shop locations and lower sales
Generate a surplus on Abbots Langley nursery operations and contribute an overhead	£23k surplus £72k 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

ONE YMCA

Report and financial statements for the year ended 31 March 2016

Initiative	Status, saving or gain	Comments
Deliver of new Children's Centre contracts with effect from 1 April 2015	4 contracts achieved and run to budget	Service transition completed All TUPE and restructuring undertaken and service delivery settled into effective delivery pattern
Performance improvement of Watford Gym	£7k surplus	Improvements were made to the gym area, marketing, customer retention and hall hire sales resulted in a £7k surplus.
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
Take action on poor performing non-social housing activities that are not returning the desired financial and/or social returns	Action taken	Despite further action plans, Hatfield Nursery did not experience any performance improvement. As a result, the operation was closed. Action targets set for Abbots Langley and St Albans gyms for material turnaround in 2016/17.
Restructuring of the Human Resources team to deliver a higher standard of service at a lower cost	Complete	Cost savings achieved and service has improved
Participation in the Finance 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 – enrolled for 2016 benchmarking exercise to gather further comparator information

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 2015/16 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 Company's community impact.

Objectives and Strategy

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

- To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in the faith and in their life, and to associate their efforts for the extension of His Kingdom.
- To lead young people to the Lord Jesus Christ and to fullness of life in Him.
- To provide or assist in the provision, in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life.

ONE YMCA

Report and financial statements for the year ended 31 March 2016

- 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.

The strategies employed to achieve the charity's objectives are to:

- Work to combat homelessness in our area,
- Increase the positive impact on families and young people in the community,
- Improve the health and wellbeing of those who need it most,
- Develop a clear message for the public, funders and commissioners, and
- Review and develop our organisation to be the best that we can be.

Achievements and performance

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

Work to combat homelessness in our area

- Offering 103,178 nights' sleep via our supported housing accommodation to single homeless people.
- Providing 127 nights' sleep through the emergency provision in Welwyn Garden City.
- Assisting 156 people to positively move on into settled accommodation.
- Helping people to sustain their tenancy via ongoing support after they moved in.
- Facilitating 211 residents to participate in targeted programmes.
- Introducing a new complex needs provision where 25 people benefited from additional support along with 42 residents utilising the specialist counselling service.
- Expanding the programmes operated by the Chaplaincy with 178 residents participating.

Increase the positive impact on young people in the community

- Enabling over 13,500 attendances at youth clubs and projects.
- Running over 20 community projects took place to help break down the barriers and stereotyping issues affecting young people.
- Mentoring 25 young people with results including increased confidence, self-esteem and improved employment opportunities.
- Undertaking 167 outcome star reviews which tracked a 33% positive change in young people and 43% showing an improvement in wellbeing.
- Connecting with 2,500 young people through mobile working.
- Facilitating 600 attendances at youth forums and planning events giving young people a voice to make future decisions.

Provide excellent family services in the local community

- Delivering Abbots Langley children's day care services to a 'Good' Ofsted rating, including 4,410 hours of free 'community places'.
- Providing Children's Centre services reaching 4,978 children and supporting 542 vulnerable children with targeted support.
- Making excellent progress in developing the Central Bedfordshire Children's Centres in Flitwick and Dunstable South following their move to the Group on 1 April 2015. An Ofsted "Good" rating was achieved at Dunstable South which was a major step forward compared to what was inherited.
- Improving the Central Bedfordshire Children's Centre registration by 16% with a 37.5% rise in engagement with under 1s which is a positive demonstration of the YMCA's turnaround on these activities following TUPE on 1 April 2015.
- Successfully implementing the changed portfolio of Hertfordshire Centres following recommissioning on 1 April 2015 to embrace Ware, Royston and Buntingford.

ONE YMCA

Report and financial statements for the year ended 31 March 2016

- Developing the Hertfordshire Children's Centres with registration performance rising to 90% and 96% in Ware and Royston & Buntingford respectively along with an average of 15% improvements in engagement with under 1s.
- Continuing to foster close partnerships and working relationships with social care and health services for the benefit of the families who are cared for.

Improve the health and wellbeing of those who need it most

- Facilitating over 107,800 separate fitness sessions.
- Delivering 234 sessions for people with disabilities giving access to sport and dance.
- Working with Macmillan to deliver support to 114 people living with cancer and a further 126 people who are affected by cancer.
- Enabling Watford Gymnastics to deliver 710 classes to their young members which, in turn, generated income for the Group.
- Delivering 260 Fit For Life sessions for Watford residents aged 50 and over.
- Returning a positive surplus on Watford gym activities.

Underpin our work through fundraising, awareness and support services

- Undertaking work with strategic partners so that the High Wycombe housing and Bedford Borough Children's Centre opportunities could be progressed.
- Facilitating more than 18,900 hours of community volunteering.
- Completing the human resources team restructure which resulted in a better service at a lower cost.
- Improving staff performance management arrangements.
- Rolling out a number of new employment policies and procedures.
- Developing the manager training programme with externally facilitated sessions on risk, performance management, line manager responsibilities and safety.
- Utilising the Pyramid repairs reporting system to manage productivity with 2,868 repairs undertaken with a 95% rate of completion within the target timescale.
- Driving up safety standards through the roll out of online mandatory safety training.
- 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.

Work undertaken during the year has culminated in the successful completion of an agreement for the Group to deliver housing management services to YMCA England in respect of their High Wycombe site. This agreement took effect from 18 April 2016 and provides the opportunity to expand the Group's activities. It will result in the management of the High Wycombe hostel which provides accommodation for 126 residents.

The Group is at the heart of a new charitable collaboration, Early Childhood Partnership, to deliver Children's Centre services for Bedford Borough Council on a whole area basis. This is a five year contract that is expected to commence during the summer of 2016 and a new subsidiary will be set up to deliver this work.

Both the High Wycombe housing and Bedford Children’s Centre initiatives build on areas where the Group has a strong reputation and good track record of service delivery. These developments contribute to the ongoing health of the Group in service areas that are well known, understood and have good leadership.

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 is adopting a 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, Trading Subsidiary and investment income have funded its youth activities in the year under review.

The Group sustained a poor return on its Hatfield Nursery operations and is now closed. Active management is being progressed 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

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 Trustee Board has already commissioned options review work in anticipation of public sector funding reductions. The

ONE YMCA

Report and financial statements for the year ended 31 March 2016

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.

Risks and uncertainties

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

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

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

On an annual basis, the Group reviews its key policies and controls frameworks. These included the financial regulations as well as the Code of Governance, committee terms of reference, code of conduct, safeguarding, fraud, whistleblowing, health & safety and equal opportunities policies. The next review is scheduled for November 2016.

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

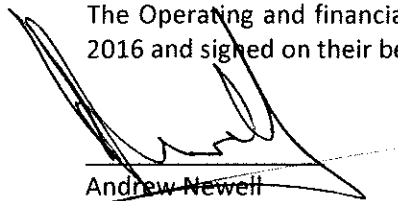
Borrowings

At year end, the Group had long term borrowings of £438,900 (2014: £456,349) which is secured against an income generating asset: two of the supported housing hostels.

ONE YMCA
Report and financial statements for the year ended 31 March 2016

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 20 July 2016 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Andrew Newell', written over a horizontal line.

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 2016.

Organisation

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

The Company is structured by department according to the main service delivery areas which include: housing, health and wellbeing, youth and community, nurseries, Children's Centres and 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. During the year and following regulatory consent, the Company adopted new Articles of Association which utilised the YMCA Federation model governing documentation. The Company also changed its name from Watford & District YMCA to One YMCA.

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, Tina Barnard and Diane Morrad stood down as Trustees. The Trustee Board undertook a skills audit which underpinned a trustee recruitment campaign commencing in the spring of 2015 which resulted in Tom Buffham, Ben Johnson and Nicola Lucas becoming trustees in July 2015. The Board has commissioned a further recruitment exercise that is linked to its future skills needs. The Board undertook a board effectiveness review which reported in November 2015. 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 2016.

Strategic management

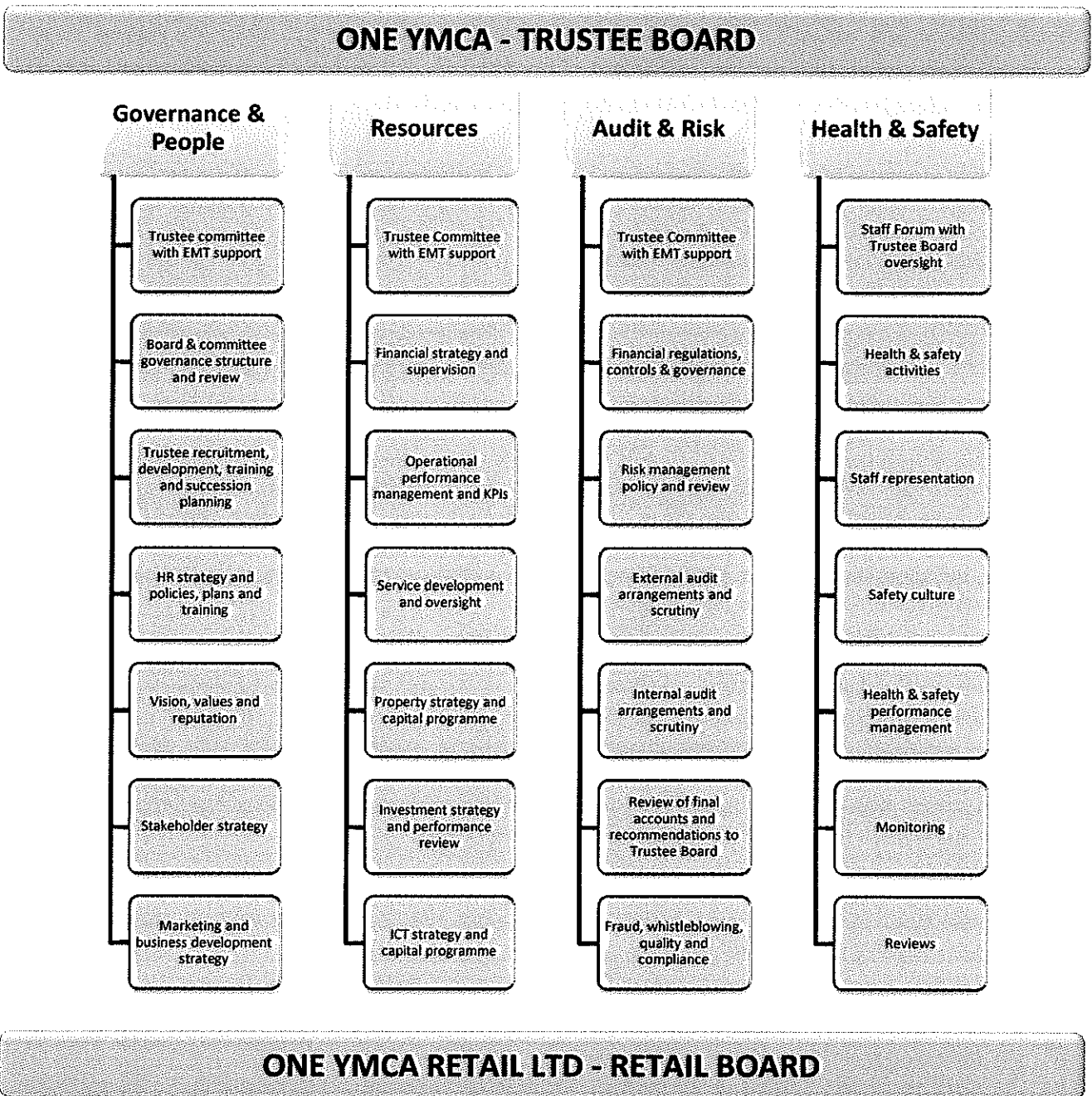
The Trustee Board is responsible for setting an appropriate strategy for the Group. It also ensures that relevant performance measures are in place.

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

The Trustee Board is represented on the Retail Subsidiary board of directors. The Retail Subsidiary Board is supplemented by an independent director who is a professional retailer whose primary employment is with a leading national retail company.

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



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

ONE YMCA

Report and financial statements for the year ended 31 March 2016

As at 31 March 2016, the membership of each committee was as follows:

GOVERNING BODY	RESOURCES	ADVISORY	FINANCIAL
Bob Green (Chair)	John Robinson (Chair)	Nick Mourant (Chair)	John Robinson
Nigel Johnson	Derek Hyde	Tom Buffham	Company Secretary (Chair)
Nicola Lucas	Ben Johnson	Christine Neyndorff	Executive team
Diane Morrad	Nick Mourant		Staff representatives

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 and Director of Housing. A new Director of Enterprise took up post in April 2016 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.

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 balance capital preservation and achieving an appropriate return. The cyclical Investment Strategy review process was completed in September 2015 and will be reviewed again during the summer of 2016.

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. 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 donated £1,000 to Elim Church. The Group made no 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.

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.

During the year, a number of changes affected the reserves levels and these were as a result of FRS 102. These included:

- A provision being made for a YMCA final salary pension reserve,
- Revaluing housing assets using the deemed cost transitional provisions,
- Restating the accounts to comply with SORP 2014 and FRS 102.

The impact of these changes was significant given the uplift in asset values and the associated creation of a large property revaluation reserve.

The reserves as at 31 March 2016 were as follows:

<u>Reserves</u>	<u>£</u>
Housing property revaluation reserve	5,709,863
Revenue reserve	6,518,106
Total unrestricted funds (revenue reserve)	<u>£12,227,969</u>

When taking these reserves into account, the revaluation reserve relates to accounting adjustments which are not cash based. The revenue reserve amounted to £6,518,106 of which free reserves total £3,312,145. 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 £4.0 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 £2.5 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.

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 2015 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 and Audit & Risk Committees,

ONE YMCA

Report and financial statements for the year ended 31 March 2016

- 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 merged group following a risk review by the internal auditor.

Code of Governance

As part of its preparation for updating its governance framework, the Board commissioned Campbell Tickell to advise and support a trustee working party to review the Housing Regulatory Framework and 2015 Code of Governance to ensure that good governance is maintained as well as seeking best practice from across the sector. 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 following the merger. 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:

- 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;

ONE YMCA

Report and financial statements for the year ended 31 March 2016

- 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 on 22 September 2016.

The Report of the Trustee Board was approved by the Trustees on 20 July 2016 and signed on their behalf by:



Andrew Newell
Chairman & Trustee

ONE YMCA

Report and financial statements for the year ended 31 March 2016

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 2016, 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 page 18), 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

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 2016 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

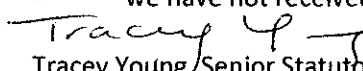
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board and operating and financial review and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

20 July 2016

ONE YMCA
Report and financial statements for the year ended 31 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	8,134,042	8,363,796
Operating expenditure	3	<u>(8,077,599)</u>	<u>(8,604,250)</u>
Operating Surplus / (deficit)	4	56,443	(240,454)
Gain / (loss) on disposal of property, plant and equipment	5	(93)	(2,111)
Interest receivable and other income	6	46,554	7,725
Interest and financing costs	7	(48,939)	(50,256)
Movement in fair value of financial instruments	13	<u>(51,704)</u>	<u>346,694</u>
Surplus / (deficit) for the year		2,261	61,598
Actuarial gains / (losses) relating to Pension Fund	17	20,000	(15,000)
Total comprehensive income for the year		<u>22,261</u>	<u>46,598</u>

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	7,824,765	8,066,499
Operating expenditure	3	<u>(7,777,169)</u>	<u>(8,352,292)</u>
Operating Surplus / (deficit)	4	47,596	(285,793)
Gain / (loss) on disposal of property, plant and equipment	5	(93)	(2,313)
Interest receivable and other income	6	52,625	14,835
Interest and financing costs	7	(48,940)	(50,255)
Movement in fair value of financial instruments	13	<u>(51,704)</u>	<u>346,694</u>
(Deficit) / surplus for the year		(516)	23,168
Actuarial gains / (losses) relating to Pension Fund	17	20,000	(15,000)
Total comprehensive income for the year		<u>19,484</u>	<u>8,168</u>

Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS 102 (see note 25). The accompanying notes form part of these financial statements.

The accounts were approved by the Trustee Board on 20 July 2016 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 2016

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2016

GROUP

	Income & expenditure reserve £	Property revaluation reserve £	Total £
Balance at 1 April 2014	6,318,015	5,841,095	12,159,110
Surplus / (deficit) from income and expenditure account	46,598	-	46,598
Transfer from revaluation reserve to income and expenditure reserve	65,616	(65,616)	-
Balance at 31 March 2015	6,430,229	5,775,479	12,205,708
Surplus / (deficit) from income and expenditure account	22,261	-	22,261
Transfer from revaluation reserve to income and expenditure reserve	65,616	(65,616)	-
Balance at 31 March 2016	6,518,106	5,709,863	12,227,969

COMPANY

	Income & expenditure reserve £	Property revaluation reserve £	Total £
Balance at 1 April 2014	6,528,249	5,841,095	12,369,344
Surplus / (deficit) from income and expenditure account	8,168	-	8,168
Transfer from revaluation reserve to income and expenditure reserve	65,616	(65,616)	-
Balance at 31 March 2015	6,602,033	5,775,479	12,377,512
Surplus / (deficit) from income and expenditure account	19,484	-	19,484
Transfer from revaluation reserve to income and expenditure reserve	65,616	(65,616)	-
Balance at 31 March 2016	6,687,133	5,709,863	12,396,996

ONE YMCA

Report and financial statements for the year ended 31 March 2016

BALANCE SHEET
AS AT 31 MARCH 2016

Registered company 4430743

	Notes	2016 £	Group 2015 £	2016 £	Company 2015 £
Fixed assets					
Tangible fixed assets	11,12	10,478,916	10,656,059	10,449,241	10,656,059
Investments	13	2,927,130	2,978,834	2,937,130	2,988,834
		<u>13,406,046</u>	<u>13,634,893</u>	<u>13,386,371</u>	<u>13,644,893</u>
Current assets					
Trade and other debtors	14	747,820	840,402	886,701	1,009,216
Cash and cash equivalents		946,608	790,890	917,591	747,334
		<u>1,694,428</u>	<u>1,631,292</u>	<u>1,804,292</u>	<u>1,756,550</u>
Creditors: falling due within one year	15	1,307,913	1,387,605	1,229,075	1,351,059
Net current assets		386,515	243,687	575,217	405,491
Creditors: falling due after more than one year	16	513,633	543,652	513,633	543,652
Pension funds	17	1,050,959	1,129,220	1,050,959	1,129,220
Total net assets		<u>12,277,969</u>	<u>12,205,708</u>	<u>12,396,996</u>	<u>12,377,512</u>
Capital and reserves					
Housing property revaluation reserve		5,709,863	5,775,479	5,709,863	5,775,479
Revenue reserve		6,518,106	6,430,229	6,687,133	6,602,033
Total reserves		<u>12,227,969</u>	<u>12,205,708</u>	<u>12,396,996</u>	<u>12,377,512</u>

Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS 102 (see note 24). The accompanying notes form part of these financial statements.

The accounts were approved by the Trustee Board on 20 July 2016 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 2016

	2016 £	2015 £
Net cash generated from operating activities		
Surplus / (deficit) for the financial year	2,261	61,598
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	419,249	375,319
Decrease / (increase) in trade and other receivables	92,580	(459,056)
(Decrease) / increase in trade and other creditors	(91,627)	464,159
Decrease / (increase) in stock	-	3,449
Carrying amount of fixed asset disposals	93	2,111
Movement in fair value of financial instruments	51,704	(346,984)
Pension costs less contributions payable	(58,261)	(43,283)
Interest paid	14,319	14,186
Interest received	(46,554)	(7,725)
Cash generated from operating activities	383,764	63,774
Cash flow from investing activities		
Purchase of tangible fixed assets	(242,199)	(327,704)
Interest received	46,554	7,725
Net cash from investing activities	(195,645)	(319,979)
Cash flows from financing activities		
Interest paid	(14,319)	(14,186)
Repayments of borrowings	(18,082)	(15,738)
Net cash used in financing activities	(32,401)	(29,924)
Net increase / (decrease) in cash and cash equivalents	155,718	(286,129)
Cash and cash equivalents at beginning of year	790,890	1,077,019
Cash and cash equivalents at end of year	946,608	790,890
Cash and cash equivalents at 31 March		
Cash	946,608	790,890
Cash equivalents	-	-
	946,608	790,890

The accompanying notes form part of these financial statements.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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. The transition date is 1st April 2014.

The transition to FRS102 and the Housing SORP 2014 has resulted in a small number of changes in accounting policies to those used previously. The nature of these changes and their impact on opening reserves and surplus for the comparative periods are explained in the notes 24 and 25.

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 drawn up to 31 March 2016. 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.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(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.

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. As a first time adopter of FRS102 and SORP 2014, the Company has 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. The revaluation required the restatement of prior periods as detailed in note 24.

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:

<u>Component</u>	<u>Useful economic life</u>
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.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**(h) Other tangible fixed assets and depreciation**

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

<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 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

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Group Personal Pension Plan (defined contribution)

The Company also makes contributions to a group personal pension plan (defined contribution) 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. The change in accounting for SHG grant income as a result of the adoption of SORP 2014 required a restatement of prior period results as detailed in note 24. 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. The change in accounting for grant income as a result of the adoption of SORP 2014 required a restatement of prior period results as detailed in note 24.

(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

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

carrying value as detailed in note 24.

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 2016**3. Group - Turnover, operating costs and operating surplus**

2016	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	3,092,674	2,772,690	319,984
Other social housing activities:			
STEP resident employability programme	-	36,502	(36,502)
Supporting People	1,214,487	1,225,808	(11,321)
Total – social housing activities	4,307,161	4,035,000	272,161
Other non-social housing	28,937	8,970	19,967
Total housing activities	4,336,098	4,043,970	292,128
Non-social housing activities			
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
	3,797,944	4,033,629	(235,685)
	8,134,042	8,077,599	56,443

Group - Turnover, operating costs and operating surplus

2015	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	2,869,966	2,753,121	116,845
Other social housing activities:			
STEP resident employability programme	21,063	48,556	(27,493)
Supporting People	1,198,577	1,168,805	29,772
Total – social housing activities	4,089,606	3,970,482	119,124
Other non-social housing	48,800	15,128	33,672
Total housing activities	4,138,406	3,985,610	152,796
Non-social housing activities			
Health & wellbeing	1,002,446	989,175	13,271
Child and family services	2,263,325	2,383,589	(120,264)
Youth & Community	346,574	551,512	(204,938)
Retail	320,967	251,759	69,208
Community Centre	165,684	149,099	16,585
Government grants taken to income	10,313	10,313	-
Other grants taken to income	1,624	1,624	-
Other	114,457	82,465	31,992
	4,225,390	4,419,536	(194,146)
Exceptional items	-	199,104	(199,104)
	8,363,796	8,604,250	(240,454)

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**Company - Turnover, operating costs and operating surplus**

2016	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	3,092,674	2,772,690	319,984
Other social housing activities:			
STEP resident employability programme	-	36,502	(36,502)
Supporting people	1,214,487	1,225,808	(11,321)
Total – social housing activities	4,307,161	4,035,000	272,161
Other non-social housing	28,937	8,970	19,967
Total housing activities	4,336,098	4,043,970	292,128
Non-social housing activities			
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
	3,488,667	3,733,199	(244,532)
	7,824,765	7,777,169	47,596

Company - Turnover, operating costs and operating surplus

2015	Turnover	Operating costs	Operating surplus/ (deficit)
	£	£	£
Social Housing: Rent receivable	2,869,966	2,753,121	116,845
Other social housing activities:			
STEP resident employability programme	21,063	48,556	(27,493)
Supporting People	1,198,577	1,168,805	29,772
Total – social housing activities	4,089,606	3,970,482	119,124
Other non-social housing	48,800	15,128	33,672
Total housing activities	4,138,406	3,985,610	152,796
Non-social housing activities			
Health & wellbeing	1,002,446	989,175	13,271
Child and family services	2,263,325	2,383,589	(120,264)
Youth & Community	346,574	551,512	(204,938)
Community Centre	165,684	149,099	16,585
Government grants taken to income	10,313	10,313	-
Other grants taken to income	1,624	1,624	-
Other	138,127	82,266	55,861
	3,928,093	4,167,578	(239,485)
Exceptional items	-	199,104	(199,104)
	8,066,499	8,352,292	(285,793)

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**Turnover, operating costs and operating surplus (continued)**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Operating costs for social housing:				
Management	1,341,479	1,358,872	1,341,479	1,358,872
Services	834,331	735,919	834,331	735,919
Routine maintenance	272,749	293,836	272,749	293,836
Planned maintenance	33,306	26,350	33,306	26,350
Rent losses from bad debts	45,101	106,595	45,101	106,595
Depreciation of housing properties and equipment	248,724	231,549	248,724	231,549
	<u>2,772,690</u>	<u>2,753,121</u>	<u>2,772,690</u>	<u>2,753,121</u>
Void losses: notional calculation of income lost from vacant rooms	166,728	190,025	166,728	190,025
Number of registered accommodation units <i>(Included within the above are 275 Supported Bed Spaces)</i>	328	328	328	328

4 Operating surplus / (deficit)

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
The operating surplus / (deficit) is arrived at after charging:				
Depreciation	419,249	375,319	412,604	374,744
Operating lease payments:				
- Land and buildings	169,296	150,138	109,204	105,000
- Office equipment	-	-	-	-
- Vehicles	5,565	2,550	-	-
Auditors' remuneration (excluding VAT)				
- Fees payable for the audit of the financial statements	19,700	18,000	17,700	16,000

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Disposal proceeds	0	(1,419)	0	0
Carrying value of fixed assets	93	3,530	93	2,313
	<u>(93)</u>	<u>(2,111)</u>	<u>(93)</u>	<u>(2,313)</u>

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**6. Interest receivable and other income**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Interest receivable and similar income	5,435	7,725	11,506	14,835
Income from listed investments	41,119	-	41,119	-
Interest from other investments	-	-	-	-
	<u>46,554</u>	<u>7,725</u>	<u>52,625</u>	<u>14,835</u>

7. Interest and financing costs

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Defined benefit pension charge	34,621	36,069	34,621	36,069
Loan and bank overdrafts	14,318	14,186	14,318	14,186
	<u>48,939</u>	<u>50,255</u>	<u>48,939</u>	<u>50,255</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 £1,070 (2015 : £298) during the year.

Executive Directors	Basic salary £	Pension contribs. £	2016 Total £	2015 Total £
Chief Executive Guy Foxell	90,186	7,215	97,401	96,447
Director of Resources David Martin	70,714	5,657	76,371	74,476
Director of Housing and Community Services Ron Dunning	62,500	5,000	67,500	69,014
	<u>223,400</u>	<u>17,872</u>	<u>241,272</u>	<u>239,937</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:	2016 No	2015 No
£60,001 to £70,000	1	1
£70,001 to £80,000	1	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 2016**9. Employee information**

Average monthly number of employees expressed as full time equivalents:	Group		Company	
	2016	2015	2016	2015
	No	No	No	No
Housing	55	59	55	59
Support Services	16	21	16	21
Sports, health & fitness	18	19	18	19
Child & family services	63	67	63	67
Youth & community	13	17	13	17
Orbital Community Centre	3	3	3	3
Retail	8	7	-	-
Total	176	193	168	186
	2016	2015	2016	2015
	£	£	£	£
Staff costs (for the above persons)				
Wages and salaries	4,024,888	4,423,928	3,882,237	4,321,737
Social security costs	308,894	327,916	300,139	322,126
Other pension costs	104,191	101,030	103,318	100,493
	4,437,973	4,852,874	4,285,694	4,744,356

During the year, termination payments of £46,436 (2015: £117,781) 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'ts	Total
	£	£	£	£
Cost				
At 1 April 2015	3,700,000	4,856,000	1,499,980	10,055,980
Additions			55,630	55,630
Cost at 31 March 2016	3,700,000	4,856,000	1,555,610	10,111,610
Depreciation				
At 1 April 2015	55,642	55,816	911,379	1,022,837
Providing during year	55,643	55,816	67,504	178,963
At 31 March 2016	111,285	111,632	978,883	1,201,800
Net book value				
At 31 March 2016	3,588,715	4,744,368	576,727	8,909,810
At 31 March 2015	3,644,358	4,800,184	588,601	9,033,143

The Company has taken advantage of deemed cost transitional relief resulting in the revaluation of housing properties and the reclassification of capital grants as detailed in note 24.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**12. Group – Tangible fixed assets (non-housing)**

	Other property	Long leasehold property	Leasehold improv'm'ts	Fixtures, fittings & equipment	Vehicles	WIP	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2015	471,656	760,000	773,758	1,598,141	43,662	2,645	3,649,862
Additions	-	-	-	151,184	-	35,385	186,569
Disposals	-	-	-	(119,176)	(16,150)	-	(135,326)
Cost at 31 March 2016	471,656	760,000	773,758	1,630,149	27,512	38,030	3,701,105
Depreciation							
At 1 April 2015	208,660	8,736	478,192	1,291,521	39,837	-	2,026,946
Providing during year	58,614	8,736	47,134	124,164	1,638	-	240,286
Released on disposal	-	-	-	(119,083)	(16,150)	-	(135,233)
At 31 March 2016	267,274	17,472	525,326	1,296,602	25,325	-	2,131,999
Net book value							
At 31 March 2016	204,382	742,528	248,432	333,547	2,187	38,030	1,569,106
At 31 March 2015	262,996	751,264	295,566	306,621	3,824	2,645	1,622,916

Company – Tangible fixed assets (non-housing)

	Other property	Long leasehold property	Leasehold improv'm'ts	Fixtures, fittings & equipment	Vehicles	WIP	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2015	471,656	760,000	773,758	1,594,205	43,662	2,645	3,645,926
Additions	-	-	-	114,864	-	35,385	150,249
Disposals	-	-	-	(119,176)	(16,150)	-	(135,326)
Cost at 31 March 2016	471,656	760,000	773,758	1,589,893	27,512	38,030	3,660,849
Depreciation							
At 1 April 2015	208,660	8,736	478,192	1,287,585	39,837	-	2,023,010
Provided during year	58,614	8,736	47,134	117,519	1,638	-	233,641
Released on disposal	-	-	-	(119,083)	(16,150)	-	(135,233)
At 31 March 2016	267,274	17,472	525,326	1,286,021	25,325	-	2,121,418
At 31 March 2016	204,382	742,528	248,432	303,872	2,187	38,030	1,539,431
At 31 March 2015	262,996	751,264	295,566	306,621	3,824	2,645	1,622,916

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**13. Investments**

	2016 Group £	2015 Group £	2016 Company £	2015 Company £
Fair value				
As at 1 April 2015				
Listed on a recognised stock exchange	2,977,334	2,630,640	2,977,334	2,630,640
Additions	791,783	1,080,000	791,783	1,080,000
Disposals	(791,783)	(1,080,000)	(791,783)	(1,080,000)
Realised gains / (losses) on disposals	177,320	344,320	177,320	344,320
Unrealised gains on valuation	(229,024)	2,374	(229,024)	2,374
As at 31 March 2016	<u>2,925,630</u>	<u>2,977,334</u>	<u>2,925,630</u>	<u>2,977,334</u>
Non-listed investments held at historical cost				
As at 1 April 2015	1,500	1,500	11,500	11,500
As at 31 March 2016	<u>1,500</u>	<u>1,500</u>	<u>11,500</u>	<u>11,500</u>
Total investments as at March 2016	<u>2,927,130</u>	<u>2,978,834</u>	<u>2,937,130</u>	<u>2,988,834</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.

An investment of 500 £1 ordinary shares in Stevenage Solutions CIC, incorporated in England.

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

	2016 Group £	2015 Group £	2016 Company £	2015 Company £
Rent arrears (including housing benefit, and resident arrears)	194,650	242,449	194,650	242,449
Less provision for doubtful debt	(52,204)	(74,887)	(52,204)	(74,887)
	<u>142,446</u>	<u>167,562</u>	<u>142,446</u>	<u>167,562</u>
Students (Steiner college)	48,292	54,946	48,292	54,946
	<u>190,738</u>	<u>222,508</u>	<u>190,738</u>	<u>222,508</u>
Trade debtors	344,333	366,409	343,830	366,409
Less provision for doubtful debt	(9,917)	(20,166)	(9,917)	(20,166)
	<u>334,416</u>	<u>346,243</u>	<u>333,913</u>	<u>346,243</u>
Other debtors	10,767	5,054	2,102	-
Prepayments and accrued income	211,899	266,597	188,804	248,926
Amounts due from subsidiary	-	-	171,144	191,539
	<u>747,820</u>	<u>840,402</u>	<u>886,701</u>	<u>1,009,216</u>

The decrease in Trade Debtors was as a result of improving rent collection, faster debt collection and experiencing a lower level of prepayments.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**15. Creditors**

Amounts falling due within one year	2016	2015	2016	2015
	Group	Group	Company	Company
	£	£	£	£
Current instalments due on loans (see note 16 for security details)	18,086	17,453	18,086	17,453
Trade creditors	349,984	361,639	326,557	338,063
Other taxes and social security costs	157,517	182,234	153,944	180,817
Other creditors	161,792	178,547	161,605	178,546
Amounts due to subsidiary	-	-	2,944	-
Deferred grant income	11,937	11,937	11,937	11,937
Accruals and deferred income	608,598	635,795	554,002	624,243
	<u>1,307,913</u>	<u>1,387,605</u>	<u>1,229,075</u>	<u>1,351,059</u>

16. Creditors

Amounts falling due after more than one year	2016	2015	2016	2015
	Group	Group	Company	Company
	£	£	£	£
Bank loan	371,704	389,498	371,704	389,498
Other loans	49,110	49,398	49,110	49,398
Deferred grant income	92,819	104,756	92,819	104,756
	<u>513,633</u>	<u>543,652</u>	<u>513,633</u>	<u>543,652</u>

A loan of £124,000 was made by Watford Borough Council in 1977. The loan is interest-free and is repayable over the term of the lease. The amount due of £49,398 at 31 March 2016 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 2016 is £389,502 (2015: 406,667).

Based on the ledger's earliest repayment date, borrowings are repayable as follows:

One year or less	18,086	17,453	18,086	17,453
One year or more but less than two years	18,712	17,466	18,712	17,466
Two years or more but less than five years	60,048	56,196	60,048	56,196
Five years or more	342,054	365,234	342,054	365,234
	<u>438,900</u>	<u>456,349</u>	<u>438,900</u>	<u>456,349</u>

The lease of Charter House, Watford is held as security for the above Watford Borough Council loan. The freehold of Peartree Hostel, Welwyn Garden City is held as security for the HSBC mortgage.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Deferred Capital Grants	2016	2015	2016	2015
	Group £	Group £	Company £	Company £
Deferred income as at 1 April	116,686	128,623	116,686	128,623
Released to Statement of Comprehensive Income	(11,937)	(11,937)	(11,937)	(11,937)
As at 31 March	104,749	116,686	104,749	116,686

Deferred income to be released to the statement of comprehensive income:	2016	2015	2016	2015
	Group £	Group £	Company £	Company £
In less than one year	11,937	11,937	11,937	11,937
In more than one year	92,812	104,749	92,812	104,749
	104,749	116,686	104,749	116,686

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.

	2016 £	2015 £
Hertfordshire County Council	15,000	32,000
YMCA	1,097,220	1,154,034
Total pension liability	1,112,220	1,186,034

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 2013 and the results have been projected forward using approximate methods, allowing for the different financial assumptions required under FRS102, to 31 March 2016 by a qualified independent actuary.

The employer's contribution to the HCCPF by the Company for the year ended 31 March 2016 was £5,226 (2015: nil).

Estimated employer's contributions to the HCCPF during the accounting period commencing on 1 April 2016 is £4,600.

Financial assumptions	31 March 2016 % per annum	31 March 2015 % per annum
	Discount rate	3.6
Future salary increases	3.7	3.9
Inflation	2.2	2.5

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**Mortality assumptions**

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CM12010 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:

	2016	2015
	No. of years	No. of years
Current Pensioners:		
Males	22.3	22.3
Females	24.5	24.5
Future Pensioners*:		
Males	24.3	24.3
Females	26.7	26.7

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

	2016	2015
	£000's	£000's
Amounts recognised in the statement of comprehensive income		
Current service cost	7	6
Net interest expenses	1	1
Total defined benefit cost recognised in surplus or deficit	8	7

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

	2016	2015
	£000's	£000's
Opening scheme liabilities	150	115
Current service cost	7	6
Interest cost	5	5
Contributions by members	1	1
Remeasurements	(22)	23
Benefits paid	0	0
Closing scheme liabilities	141	150

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

	2016	2015
	£'000	£'000
Opening fair value of scheme assets	118	103
Interest income	4	4
Return on plan assets (in excess of interest income)	(2)	10
Contributions by employer	5	0
Scheme participants' contributions	1	1
Benefits paid	0	0
Closing value of fair value of plan assets	126	118

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**Major categories of scheme assets as a percentage of total plan assets**

	2016	2015
	%	%
Equities	63	66
Bonds	26	24
Property	8	7
Cash	3	3
	100	100

Sensitivity analysis

	Approximate % increase to Employer Liability	Approximate monetary amount (£000's)
Change in assumptions at year ended 31 March 2016		
0.5% decrease in real discount rate	14%	20
1 year increase in member life expectancy	3%	4
0.5% increase in the salary increase rate	7%	10
0.5% increase in the pension increase rate	7%	9

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 plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to the Company and accordingly the pension deficit is not shown on the balance sheet. The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits all employed deferred members became deferred members as from 1 May 2011.

The valuation prepared as at 1 May 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 £1,097,220 is recognised within provisions for this contractual obligation.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	£
At 1 April 2015	1,154,034
Paid in year	(91,435)
Unwinding of discount included in finance costs	34,621
At 31 March 2016	<u>1,097,220</u>

	As at 31	As at 31
	Mar 16	Mar 15
	£	£
Repayable within one year	61,261	56,814
Repayable in more than one year	1,242,400	1,336,578
Unwinding of discount	(206,441)	(239,358)
Total as at 31 March	<u>1,097,220</u>	<u>1,154,034</u>

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	
	2016	2015	2016	2015
	£	£	£	£
The following operating lease payments are committed to be paid				
within 1 year	151,157	150,872	66,900	101,524
within 1-2 years	502,759	478,575	267,600	363,850
within 5 years	736,897	709,020	521,243	588,143
	<u>1,390,813</u>	<u>1,338,467</u>	<u>855,743</u>	<u>1,053,517</u>

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 2016, funding of £121,466 (2015: £140,405) was received against expenditure incurred.

The Joseph Rank Trust

The YMCA Space project came to an end in September 2015 and expenditure of £7,500 was funded by the grant received in 2015 covering the period September 2014 to September 2015.

20. Related party transactions

For the financial period under review, three of the Trustees are also Directors of One YMCA Retail Ltd. They were: Nicholas Mourant, Diane Morrad 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. A charge is made for these services.

At 31 March 2016, One YMCA Retail Ltd owed One YMCA £168,200 (2015: £191,539). Interest is charged on this borrowing. Of this, £171,144 (2015 – £189,144) was in respect of an inter-company

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

loan which is subject to a debenture deed and the Company has a registered charge in respect of it.

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 (from 15 June 2015), Nicholas Mourant, Jonathan Moxham (until 1 June 2015), Christine Neyndorff and John Robinson. The Director of Resources is Company Secretary.

21. Capital commitments

	2016	2015
	£	£
Contracts placed for future capital commitments not provided in the financial statements	18,050	18,426

The contracted capital commitments at the 31 March 2016 relate to the completion of the boiler and ventilation control equipment project at Charter House, Watford and was 75% complete by year end.

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 2016, 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.

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 2016, there were 40 members of the Company (2015: 37).

24. Reconciliation of Reserves

The Group has implemented the new UK accounting standard FRS 102 in the year under review and has made the following transition adjustments.

The Group recognises its membership of the, now closed, multi-employer YMCA defined benefit pension scheme. In previous years, this could not be recognised on the face of the balance sheet as it was not possible to segregate the assets and liabilities: to overcome this, the Group provided for it through its reserves policy. Now that FRS 102 has now been implemented, it provided the basis whereby the YMCA pension deficit has been incorporated onto the Balance Sheet.

As part of the transition to FRS 102, the Group has revalued its housing stock using the deemed cost method based upon valuations prepared by Savills. This has resulted in:

- Increase in fixed asset values of £5,709,863,
- Creation of a revaluation reserve,
- A higher balance sheet value,
- An increase in future depreciation costs.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	1 Apr 14	31 Mar 15	1 Apr 14	31 Mar 15
	Group	Group	Company	Company
	£	£	£	£
Previously reported reserves	5,491,222	5,582,217	5,701,453	5,754,021
FRS 102 transitional adjustments				
Revaluation of fixed assets	5,593,379	5,527,763	5,593,379	5,527,763
Social Housing Grant	2,967,941	2,967,941	2,967,941	2,967,941
Defined benefit pension liability	(1,202,316)	(1,154,034)	(1,202,316)	(1,154,034)
Deferred capital grant	44,498	56,436	44,498	56,436
Restatement of depreciation	(760,899)	(799,183)	(760,899)	(799,183)
Holiday pay accrual	(13,000)	(13,000)	(13,000)	(13,000)
Watford Council loan fair value restatement	38,288	37,568	38,288	37,568
Restated reserves	12,159,113	12,205,708	12,369,344	12,377,512

25. Reconciliation of Surplus

	Group	Company
	£	£
Previously stated surplus for the year to 31 March 2015 (STRGL)	90,998	52,568
Revaluation of fixed assets	(65,616)	(65,616)
Defined benefit pension liability	48,283	48,283
Fixed asset net book value increase	(38,284)	(38,284)
Release of deferred capital grant	11,937	11,937
Watford Council loan fair value restatement	(720)	(720)
Restated surplus for the year to 31 March 2015	46,598	8,168
(Total comprehensive income)		

26. Notes to reconciliations**(a) Housing fixed asset revaluations**

The Company has 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 resulting increase in value has been taken to the property revaluation reserve and the associated increase in depreciation has been charged to operating costs.

(b) Recognition of grant income

Previously capital grants received were netted off against the cost of housing properties. In line with the Housing SORP 2014 and FRS 102, grants received by the Company where any performance conditions have been met are released to income.

(c) Pension liability

The Company participated in the YMCA multi-employer defined benefit pension plan. In prior years, the scheme was accounted for on a defined contribution basis as it is not deemed possible at that time to separately identify the underlying assets and liabilities of individual participating employers.

Under FRS 102, the present value of agreed deficit contributions are to be provided for in the balance sheet. This has resulted in the inclusion of a long term creditor within the balance sheet and adjustments to operating expenditure and financing costs.

NOTES TO THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(d) Loans carrying no interest

The Company received a loan from Watford Borough Council in 1977 which does not carry an interest charge. In prior years, the loan amount less capital repayments has been carried on the balance sheet.

Under FRS 102, the liability is disclosed at amortised cost using the market rate of similar debt instruments – the effective interest method. This results in a lower carrying value of the loan with the difference recorded as interest income, reflecting the Company having the benefit of an interest free loan. Given the length of loan, the effective interest rate used has been the rate of return on investments.

(e) Lease incentives

Prior to the adoption of FRS 102, the Company had recognised the benefit of lease incentives over the shorter of the life of the lease or the period to the date of the next rent review at which rent was expected to be reset to a market rate.

The Company has taken advantage of the exemption to allow entities to continue with the policy for leases entered into before the date of transition. As a result there is no adjustment to the balance sheet as at 1 April 2014.

Lease incentives obtained in 2016 have been restated in accordance with FRS 102 resulting in an increase in lease expenses in the year of £702.

(f) Holiday pay accrual

Prior to the adoption of the Housing SORP 2014 and FRS 102, the Company did not make provision for holiday pay earned but not taken before the year end. In order to comply with the requirements an accrual of £13,000 has been included at 1 April 2014. The provision has been held at this level for year ending 31 March 2015 and year ending 31 March 2016.

27. Post balance sheet events

Early Childhood Partnership was incorporated as a subsidiary of One YMCA on 24 May 2016 which is after the financial period under review. ECP is 100% controlled by One YMCA by virtue of sole corporate membership of a private company limited by guarantee. No transactions took place in the year under review and ECP will be retained as a dormant company until it has achieved charitable status which is anticipated to take place in the summer of 2016.