

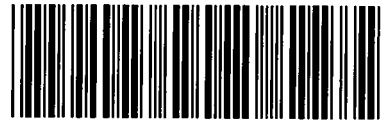
Charity Registration No. 1036276

Company Registration No. 02903520 (England and Wales)

REGISTRAR'S COPY

EAST HERTS YMCA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

THURSDAY



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COMPANIES HOUSE

WHITTLES

CHARTERED ACCOUNTANTS

EAST HERTS YMCA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Max Beddard Kerry McGowan Jennifer McKenzie Richard Morris Fiona Onasanya Stuart Veitch Paul Martin Mr S Box Mr R Holme	(Appointed 24 November 2016) (Appointed 24 November 2016)
Secretary	Robert Purcell	
Charity number	1036276	
Company number	02903520	
Registered office	4 Northgate End Bishop's Stortford Hertfordshire CM23 2EX	
Auditor	Whittles Whittle & Partners LLP The Old Exchange 64 West Stockwell Street Colchester Essex CO1 1HE	
Bankers	Barclays Bank Plc 10 North Street Bishop's Stortford Hertfordshire CM23 2LH	
Solicitors	Nockolds 6 Market Square Bishop's Stortford Hertfordshire CM23 3UZ	

EAST HERTS YMCA

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EAST HERTS YMCA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015).

Objectives and activities

The objectives for which the charity has been established are:

- To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in their faith and in their life, and to associate their efforts for the extension of His Kingdom
- To lead young people to the Lord Jesus Christ and to fullness of life in Him.
- To provide, or assist in the provision of, leisure and recreation facilities for men and women with the objectives of improving their conditions of life and enhancing their social welfare.
- To provide, improve and manage houses and hostels as accommodation for men and women of all ages upon terms appropriate to their means.
- To provide directly, or in association with others, a counselling and advice service for men and women of all ages.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Activities

The charity fulfils its objectives by providing supported accommodation and client-centred information, advice and guidance programmes for those least able to afford it themselves. Inspired by, and faithful to, its stated Christian values, it creates supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.

Client support programmes, using the Outcomes Star Model, are delivered across all key accommodation sites:

- In the 27 bed unit at its Bishop's Stortford premises in Northgate End
- In the communal unit at Northgate End accommodating two young people who require more intensive 'one to one' work.
- In two properties situated in the local communities of Sawbridgeworth and Ware, each accommodating one young person - one of higher risk and one of lower risk.
- In the two supported housing units for eight asylum seekers in Stevenage.

EAST HERTS YMCA

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

EHYMCA holds the InSync national quality assessment accreditation and, in the most recent Hertfordshire County Council compliance inspection of the Northgate End programme (November 2015), scored 99.4%.

Ensuring strong and transparent governance has continued to be a key objective during this financial year and we have been able to maintain our full complement of nine directors. YMCA East Herts adheres to the National Housing Forum's Code of Governance.

The Board has attracted men and women from diverse backgrounds, covering all the required key skills. The Chair and Chief Executive are responsible for on-going recruitment and the co-opting of an additional director to the Board in 2016-2017 will ensure a smooth transition should an existing director decide to step down. In addition, during this financial year we have continued to benefit from the knowledge of an experienced volunteer advisor in the area of change management.

Achievements and performance

Housing: 4 Northgate End, Bishop's Stortford

Supported Housing for twenty-seven 18-30 year olds at the 4 Northgate End site in Bishop's Stortford continues to be EHYMCA's core business focus. Alongside this, and in partnership with Herts County Council (HCC), additional housing support provision continues to develop. More intensive housing support is offered to two young people in our communal facility and EHYMCA has direct access to five units of move-on accommodation for those young people who have shown that they are ready to leave us and move into independent living. In 2016-17, 81.25% of our residents at Northgate End achieved planned, positive 'move-ons'. We made available 10,585 bed spaces during the year, provided housing support to 56 vulnerable young people, incurred 4.43% voids and 1.35% bad debts.

Our staff, directors and volunteers work together to make our mission a reality. We are an inclusive Christian movement helping to transform local communities so that young people can truly belong, contribute and thrive. We all have a responsibility for enabling our YMCA to make a difference in young people's lives.

Move-On Accommodation: At the centre of all our work are the young people themselves and this year, following a review of our support work, we have increased our expectation levels of residents. This cultural change will take time to achieve but has already seen a growing confidence in residents going out into the community through successful planned 'move-ons'. The charity's vision of enabling young people to reach their potential is greatly assisted by our direct access to move-on accommodation. This provides a strong motivating factor for them to prepare well for independent living by paying their rent on time and by abiding by the YMCA's house rules and regulations.

Partnerships with a variety of agencies continue to be key and the YMCA works closely with: Herts Young Homeless; Citizens Advice; the new county-wide Homeless Hub; the Police; NHS and Oxford House; the Probation Service; Housing Providers and other YMCAs, as well as the Councillors and Officers of the Town, District and County Councils.

EAST HERTS YMCA

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Housing: Properties in the Local Community

Linked to our mission of helping to transform communities, the Directors have focused on flexibility, partnership and response to need. Part of this had been a 'spot purchase' agreement with the Department of Children's Services, at Hertfordshire County Council (HCC), to support higher risk 'Children-Looked After' in the local community. However, under the agreement EHYMCA was required to offer accommodation on a needs basis with the inherent risk that projects could start and end with little notice. This agreement, for the reasons listed below, came to an end completely in February 2017.

During the previous financial year (2015- 2016) considerable experience of working with higher risk individuals had been gained utilising three rented properties in the local community. Two of the three properties were occupied with high risk young people and one with lower risk. This reduced to two in early 2016 with the young person 'moving-on' to new accommodation and the rented property in Bishop's Stortford being sold by the landlord.

At the beginning of the 2016 - 2017 financial year, following overnight reductions of support funding by HCC, housing a high risk vulnerable person in one of the two remaining properties became untenable. This property in Ware was therefore returned to the Landlord in April 2016. The third property based in Sawbridgeworth saw considerable voids during the year because of its location. After HCC selected the area to meet a specific young person's need it was found to be unpopular with subsequent residents. In February 2017, following agreement between HCC and EHYMCA, this property and the project also came to an end.

While we were sad to see our work with high risk individuals in the community come to an end, a great deal was learned and the relationships with all three local landlords ended with professionalism and without incurring financial liabilities. Vital experience has been gained to enhance our support work at Northgate End and the Asylum Seeker project especially regarding issues related to self-harm and aggressive behaviour. The Directors also believe that there is scope to work in this field in the future.

Housing: Asylum Seeker Programme, Archer Road, Stevenage

In 2016-17 the Asylum Seeker project in Stevenage continued to develop. Working with HCC we provide two properties for Asylum Seekers - four beds available to 16-17 year olds applying for asylum and four beds to 18-21 year olds. All residents are either applying for asylum or have had their applications turned down but are undertaking the sometimes very lengthy appeals process. While the establishment of this project in 2013 initially consumed significant amounts of staff time, it has achieved stability and initially was able to make a sound contribution to our housing provision and core costs, as well as raising our profile with the Council. With minimal increases in Council funding since the project's inception combined with increasing maintenance and health and safety costs the margin has considerably reduced. The need to either increase the weekly payments per resident or close the programme was discussed by the Directors and the Council and this resulted in the Council's agreement to increase the funding from 1 April 2016. With the appointment of a new Programme Development Manager in May 2016 all the procedures at the project have been reviewed and updated.

A significant achievement of this project has been the acceptance of the asylum seeker residents, as part of the local community. Playing sport such as badminton, cricket and table tennis have enabled residents (and especially those studying at the local colleges) to both see and feel a sense of inclusion.

EAST HERTS YMCA

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Emergency Crash Pad Facility

As part of EHYMCA's service to the community an emergency crash pad facility at Northgate End in Bishop's Stortford is also provided. All agency referrals, as well as any self referrals, go via East Herts Council and the facility is designed for any young people who might be 'street homeless.' The Crash Pad is used as a 'stop gap' for a maximum of two nights while other accommodation is found.

Making a Difference:

On behalf of the Directors, I would like to pay tribute again to the hard work undertaken by our staff and volunteers. The staff work long hours and regularly deliver beyond their job specifications. We have also been very fortunate in the number and quality of our volunteers without whose dedication and enthusiasm even more work would have fallen to our permanent staff.

Financial review

A budget deficit of £46,776 had been planned and approved by the Directors for 2016 -2017. The net actuals for the year amounted to a deficit of £20,350 - a positive actual to budget variance of £26,426.

However, it is important to note that budget for 2016 – 2017 did not include the staff restructure costs that occurred between April and June 2017, depreciation, significant decorating costs as well as fundraiser consultant fees. When taking these into account the actual performance was £77,411 better than anticipated.

EHYMCA, as with all organisations in the charity field, has continued to face a financial environment where traditional sources of funding have been severely reduced. The Government's austerity measures are directly affecting our housing support programmes and as Council budgets decrease so does their ability to fund programmes to support vulnerable young people. Increases in contract prices are minimal if at all and many YMCAs have had their housing related support contract drastically reduced if not completely cut. In spite of this EHYMCA continues to retain good communication links with the Commissioners and the contract budget increase agreed for the Asylum Seeker programmes have been able to provide an important contribution to reducing this year's financial deficit.

To the delight of the Directors £19,355 of unrestricted funding was raised during the year. This represents a 19.4% increase on the previous year and was achieved as a result of a diverse range of events but specifically our second annual 'Sleep Easy' event that took place in March 2017. 'Sleeping rough for one night so that others don't have to' attracted 49 volunteers who slept in cardboard boxes and who supported by Community groups our local MP and Councillors. This one night event raised £6,000 and will become our main fundraiser each year. It has great potential for future unrestricted fundraising.

Raising our profile has led to successful applications for restricted funding with the result that all 29 self-contained flats at the Northgate End premises were equipped with new hard wearing tub chairs and wardrobes.

The final pension scheme liability to the YMCA England pension fund incurred a deficit contribution payment of £6,627 during the year as well as a £1,077 contribution towards the plan's expenditure. As part of a joint and several scheme to which many other YMCAs also belong this represents a liability over which we have no control. Fortunately, the EHYMCA contribution is low in comparison to others.

Looking forward it is clear that the financial environment will remain challenging for some years to come. While the financial performance in 2016 – 2017 was far better than expected we still incurred a deficit. As a result the Board of Trustees has been carefully considering options for the future, which also takes into account YMCA England's transition from housing activities and their requirement that our 4 Northgate End building is purchased by 31.03.18 with contracts being exchanged by 31.10.17 at the latest. It had been hoped that our restructuring process during the financial year would help us, however events have overtaken us.

EAST HERTS YMCA

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Changing Environment and Existing Pressures

The Board's formal position regarding independence/merger has always been that we should remain independent if, by doing so, we can provide a better standard of service to the young people we serve. However, circumstances have changed and as a result on 30.03.17 the Trustees unanimously voted to initiate amalgamation negotiations with One YMCA.

Whilst we have achieved:

- the transformation of the lives of a large number of vulnerable young people
- a substantial increase in our income over the years
- a successful restructuring of our senior management team in the last year or so with a view to the expansion of our programmes
- a strong governance structure

We are now suffering the consequence of a tightening of our margins, and an inability to release sufficient management capacity to speedily develop our operation.

We are not in a position to compensate for reductions in rent, static contract agreements regarding price and the cost increases forced upon us by current Government policies – and still ensure that we can provide the best possible service to our client groups both now and in the long term. In 2016, we invested boldly in our future but we are still too small and have a number of deadlines to meet.

The key issues regarding timing have been:

- YMCA England's requirement that we exchange contracts on the 4 Northgate End property by 31.10.17 and purchase it by 31.03.18.
- Prior to the exchange of contracts, the need to apply to and be registered by the Homes and Communities Agency in order to access the property's social housing grant. Clear indications, received from those who have been through the process, stated that we would be likely to fail the financial stress testing.
- Herts County Council turning down our proposal to change our housing-related support contract at 4 Northgate End which would have had a significant beneficial impact on our budget for 2017 - 2018.
- We are becoming increasingly conscious of warnings from YMCA England that more serious government budget cuts will be on their way affecting social care programmes in the next year or so. Clearly any special relationship will not protect us anymore.
- The departure of Richard Morris (vice Chair) in 2017 and Stuart Veitch (Chair) / Max Beddard (Treasurer) in 2018 – each having completed their maximum nine years on the Board.

With this combination of events occurring, and taking into account the national picture of YMCAs coming together, the Directors believe decisive action needs to be taken now and EHYMCA acts from a position of strength with reserves still intact. Our relationship with One YMCA has been built up over many years and we believe it is strong and mutually beneficial – a partnership where we have been able to help and trust each other. It also makes strong strategic and economic sense to have a single YMCA in Hertfordshire liaising on a county-wide basis with Hertfordshire County Council and key stakeholders.

EAST HERTS YMCA

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Reserves

East Herts YMCA is heavily reliant on local government contracts which are often relatively short term. It therefore aims to maintain sufficient financial reserves to provide protection against the loss of a contract and has determined that 20% of turnover would achieve this.

The reserves held will additionally protect against unforeseen expenditure whether repairs or operational costs, reduced grant and fundraising income or fluctuating cash flow.

Risk management

The directors have examined the major risks that the company faces each financial year and have developed systems to monitor and control these risks to mitigate any impact that they may have in the future.

Structure, governance and management

As well as being a registered charity and a non-profit making organisation, the company is limited by guarantee. It was incorporated on 1 March 1994 and its governing document is the Memorandum and Articles of Association. Its board of directors (who are also the trustees of the charitable company) are listed on page 6, and its management consists of a Chief Executive, a Programme Development Manager and an Operations Manager. It is affiliated to YMCA England (the national body for YMCA's) on whose behalf it manages the Northgate End property in Bishop's Stortford.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Max Beddard	appointed 26.11.2009
Simon Box	appointed 24.11.2016
Adele Costa Correa	appointed 25.11.2010 - retired by rotation 24.11.2016
Richard Holme	appointed 24.11.2016
Kerry McGowan	appointed 24.11.2011
Jennifer McKenzie	appointed 29.11.2012
Paul Martin	appointed 27.11.2015
Fiona Onasanya	appointed 29.11.2012
Richard Morris	appointed 25.02.2008
Stuart Veitch	appointed 17.02.2009
Paul Wilson	appointed 20.09.2007 - retired by rotation 24.11.2016

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

East Herts YMCA (EHYMCA) has an established Senior Appointments and Remunerations Committee that reports to the Board. It convenes annually to review pay for all staff and also meets, as and when required, to discuss all senior appointments and their appropriate remuneration. Benchmarking of salaries, undertaken with external HR advice, is conducted on a bi-annual basis.

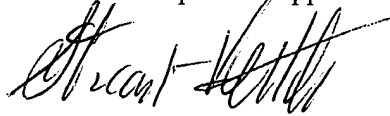
Auditor

Whittles Accountants, having expressed their willingness to conduct the audit for the 2017-18 financial year will do so in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

EAST HERTS YMCA

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

The Trustees' report was approved by the Board of Trustees.

A handwritten signature in black ink, appearing to read 'Stuart Veitch', is written over the printed name.

Stuart Veitch

Trustee

Dated: 27 July 2017

EAST HERTS YMCA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2017

The Trustees, who are also the directors of East Herts YMCA for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015);
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

EAST HERTS YMCA

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EAST HERTS YMCA

We have audited the accounts of East Herts YMCA for the year ended 31 March 2017 set out on pages 11 to 28. 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 Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities set out on page 8, the Trustees, who are also the directors of East Herts YMCA for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EAST HERTS YMCA

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EAST HERTS YMCA

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the accounts are not in agreement with the accounting records and returns; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Rachel Skells BA FCA (Senior Statutory Auditor)
for and on behalf of Whittles

27 July 2017

Chartered Accountants
Statutory Auditor

Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Whittles is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

EAST HERTS YMCA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:						
Donations and legacies	3	19,355	-	12,647	32,002	29,053
Charitable activities	4	618,304	-	-	618,304	713,454
Investments	5	3,908	-	-	3,908	2,217
Total income		641,567	-	12,647	654,214	744,724
Expenditure on:						
Charitable activities	6	661,271	-	13,293	674,564	811,485
Net outgoing resources before transfers		(19,704)	-	(646)	(20,350)	(66,761)
Gross transfers between funds		19,061	(18,461)	(600)	-	-
Net expenditure for the year/ Net movement in funds		(643)	(18,461)	(1,246)	(20,350)	(66,761)
Fund balances at 1 April 2016		9,392	148,944	4,865	163,201	229,962
Fund balances at 31 March 2017		8,749	130,483	3,619	142,851	163,201

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EAST HERTS YMCA

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		7,776		9,473
Current assets					
Debtors	13	34,381		37,434	
Cash at bank and in hand		209,486		223,891	
		<u>243,867</u>		<u>261,325</u>	
Creditors: amounts falling due within one year	14	<u>(50,947)</u>		<u>(46,909)</u>	
Net current assets			192,920		214,416
Total assets less current liabilities			<u>200,696</u>		<u>223,889</u>
Provisions for liabilities			<u>(57,845)</u>		<u>(60,688)</u>
Net assets			<u><u>142,851</u></u>		<u><u>163,201</u></u>
Income funds					
Restricted funds	17		3,619		4,865
<u>Unrestricted funds</u>					
Designated funds	18		130,483		148,944
General unrestricted funds			8,749		9,392
			<u><u>142,851</u></u>		<u><u>163,201</u></u>

EAST HERTS YMCA

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The Trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 27 July 2017



Max Beddard
Trustee

Company Registration No. 02903520

EAST HERTS YMCA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(14,612)		(52,419)
Investing activities					
Purchase of tangible fixed assets		(3,701)		(11,105)	
Interest received		3,908		2,217	
Net cash generated from/(used in) investing activities			207		(8,888)
Net cash used in financing activities			-		-
Transitional adjustment upon adoption of FRS 102					60,688
Net decrease in cash and cash equivalents			(14,405)		(619)
Cash and cash equivalents at beginning of year			223,891		224,510
Cash and cash equivalents at end of year			209,486		223,891

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

East Herts YMCA is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Northgate End, Bishop's Stortford, Hertfordshire, CM23 2EX.

1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of East Herts YMCA prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future given the planned amalgamation with One YMCA (see Trustees report for details). Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for these purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds arise from grants, donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support costs are allocated in full against resources expended on charitable activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs are allocated in full against resources expended on charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Capital items costing in excess of £1,000 are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant & Equipment	33% straight line
Fixtures & Fittings	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposit accounts.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price and subsequently measured at amortised cost, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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

As described in note 16 East Herts YMCA has a contractual obligation to make pension deficit payments of £6,434 per annum, increasing by 3% each year from April 2016 to April 2027, accordingly this is shown as a discounted liability in the accounts. In addition East Herts YMCA is required to make annual contributions to the operating expenses of the Pension Plan. These costs vary year by year and are charged to the Statement of Financial Activities as they are made.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	19,355	334	19,689	18,212
Grants received	-	12,313	12,313	10,841
	<u>19,355</u>	<u>12,647</u>	<u>32,002</u>	<u>29,053</u>
For the year ended 31 March 2016	<u>16,207</u>	<u>12,846</u>		<u>29,053</u>
Analysis of grants received				
YMCA Metro Grant	-	2,000	2,000	-
The Clothworkers' Foundation Grant	-	8,000	8,000	-
The Gilfrere Trust Grant	-	513	513	-
Beatrice Laing Trust Grant	-	-	-	3,500
East Herts Council Grant	-	-	-	6,437
Pure Structures Limited Grant	-	-	-	500
CDA Grant	-	-	-	404
Appraisal Review Grant	-	1,800	1,800	-
	<u>-</u>	<u>12,313</u>	<u>12,313</u>	<u>10,841</u>

4 Charitable activities

	2017 £	2016 £
Services provided under contract	416,740	530,021
Ancillary trading income	3,593	3,950
Charitable rental income - personal charges & parking	44,512	48,541
Charitable rental income - housing benefit	153,459	130,942
	<u>618,304</u>	<u>713,454</u>

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Investments

	2017	2016
	£	£
Interest receivable	3,908	2,217

6 Expenditure on charitable activities

	2017	2016
	£	£
Staff costs	376,045	540,959
Depreciation and impairment	5,399	6,543
Rent & rates	54,475	66,373
Insurance	6,866	6,874
Light & heat	19,819	22,698
Repairs, maintenance & equipment rental	61,146	39,914
Management fees	57,260	56,969
Training and recruitment	2,338	7,989
Printing, postage & computer expenses	26,349	23,751
Travel costs	4,009	5,652
Catering	1,860	1,809
Contractors	8,852	2,684
Activity costs	6,172	9,513
Bad debts	2,531	970
Affiliation fees	3,240	2,320
Bank charges	54	58
Sundry expenses	2,948	5,390
	<u>639,363</u>	<u>800,466</u>
Share of governance costs (see note 7)	35,201	11,019
	<u>674,564</u>	<u>811,485</u>
Analysis by fund		
Unrestricted funds	661,271	799,857
Restricted funds	13,293	11,628
	<u>674,564</u>	<u>811,485</u>

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Support costs

	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Audit fees	-	4,240	4,240	4,240	Governance
Accountancy	-	1,764	1,764	1,610	Governance
Legal and professional	-	1,600	1,600	596	Governance
Trustee's meeting expenses	-	321	321	603	Governance
Restructuring costs	-	23,492	23,492	-	Governance
Finance costs	-	3,784	3,784	3,970	Governance
	<u>-</u>	<u>35,201</u>	<u>35,201</u>	<u>11,019</u>	
Analysed between					
Charitable activities	-	35,201	35,201	11,019	
	<u>-</u>	<u>35,201</u>	<u>35,201</u>	<u>11,019</u>	

Governance costs includes payments to the auditors of £4,240 (2016- £4,240) for audit fees.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

No Trustees were reimbursed for out of pocket expenses (2016 - One trustee - £171).

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
	12	13
	<u> </u>	<u> </u>
Employment costs	2017	2016
	£	£
Wages and salaries	349,321	452,140
Social security costs	17,673	16,656
Other pension costs	9,051	72,163
	<u> </u>	<u> </u>
	<u>376,045</u>	<u>540,959</u>

No employees received remuneration over £60,000.

10 Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2017 or for the year ended 31 March 2016.

As a registered charity, the company holds charitable status, which exempts it from corporation tax and capital gains tax.

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Tangible fixed assets

	Plant & Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2016	61,310	50,494	111,804
Additions	3,701	-	3,701
	<u>65,011</u>	<u>50,494</u>	<u>115,505</u>
At 31 March 2017			
Depreciation and impairment			
At 1 April 2016	55,476	46,854	102,330
Depreciation charged in the year	4,489	910	5,399
	<u>59,965</u>	<u>47,764</u>	<u>107,729</u>
At 31 March 2017			
Carrying amount			
At 31 March 2017	5,046	2,730	7,776
	<u>5,833</u>	<u>3,640</u>	<u>9,473</u>
At 31 March 2016			

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	32,581	37,434
	<u>32,581</u>	<u>37,434</u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	(57,845)	(60,688)
Measured at amortised cost	(50,947)	(46,909)
	<u>(108,792)</u>	<u>(107,597)</u>

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	7,333	23,097
Other debtors	6,188	6,188
Prepayments and accrued income	20,860	8,149
	<u>34,381</u>	<u>37,434</u>

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	5,991	4,962
Trade creditors	24,292	21,017
Other creditors	7,408	6,984
Accruals and deferred income	13,256	13,946
	<u>50,947</u>	<u>46,909</u>

Provisions for liabilities

	Notes	2017 £	2016 £
Retirement benefit obligations	16	57,845	60,688
		<u>57,845</u>	<u>60,688</u>

16 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

Defined benefit schemes

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

The most recent completed three year valuation was at 1 May 2014. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assured 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. 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 East Herts YMCA and accordingly the pension deficit is not shown on the balance sheet.

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

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

16 Retirement benefit schemes

(Continued)

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £38.7m. East Herts YMCA has been advised that it will need to make monthly contributions of £552 from 1 May 2015. 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 1 May 2015. Using the discount rate based on AA corporate bonds for the same period a liability with a net present value of £57,845 (2016: £60,688) is recognised within provisions for this contractual obligation.

The liability in the accounts is as set out below:-

	2017	2016
	£	£
Amounts payable within one year	6,826	6,627
Amounts payable in more than one year	71,428	78,254
Unwinding of discount	(20,409)	(24,193)
	<u>57,845</u>	<u>60,688</u>

The movements in the year were as follows:-

	2017
	£
As at 1 April 2016	60,688
Paid in the year	(6,627)
Unwinding discount included in finance costs	3,784
	<u>57,845</u>

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016	Movement in funds		Balance at 31 March 2017
	£	Incoming resources £	Resources expended £	£
Residents activities	1,960	190	(740)	1,410
Website upgrade	600	-	(600)	-
Residents emergencies	82	24	(39)	67
Inspire programme	500	-	-	500
Healthy eating courses	221	-	-	221
Prince's Trust funds	139	-	-	139
The Gilfrere Trust funds	522	513	(523)	512
Appriasal review project	-	1,800	(1,800)	-
Financial rehab training fund	297	-	-	297
Friends of Osborne House deposits	242	100	-	342
General deposits	238	20	(187)	71
Resident's fixtures & fittings	64	8,000	(8,004)	60
YMCA Metro funds	-	2,000	(2,000)	-
	<u>4,865</u>	<u>12,647</u>	<u>(13,893)</u>	<u>3,619</u>

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for the following reasons:

The charity is heavily reliant on local government grants which are often relatively short term and therefore the aim is to maintain generous financial reserves to provide protection against the loss of a contract. The trustees have determined that a minimum of 20% of turnover would achieve this.

The reserves held will additionally protect against unforeseen expenditure whether repairs or operational costs, reduced grant and fundraising income or fluctuating cash flow.

	Movement in funds			Balance at 31 March 2017
	Balance at 1 April 2016	Depreciation	Transfer to Unrestricted Funds	
	£	£	£	£
Designated fund	(148,944)	-	18,461	(130,483)
	<u>(148,944)</u>	<u>-</u>	<u>18,461</u>	<u>(130,483)</u>

19 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2017 are represented by:				
Tangible assets	7,776	-	-	7,776
Current assets/(liabilities)	58,818	130,483	3,619	192,920
Provisions and pensions	(57,845)	-	-	(57,845)
	<u>8,749</u>	<u>130,483</u>	<u>3,619</u>	<u>142,851</u>

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	<u>107,294</u>	<u>79,836</u>

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

20 Related party transactions

(Continued)

Richard Morris, a Trustee, is associated with TheGivingMachine, a charity which enables supporters to donate to charities by purchasing through its website (previously TheGivingMachine Limited). East Herts YMCA received donations of £448 via the charity during the year (2016: £258).

21 Cash generated from operations	2017 £	2016 £
Deficit for the year	(20,350)	(66,761)
Adjustments for:		
Investment income recognised in statement of financial activities	(3,908)	(2,217)
Depreciation and impairment of tangible fixed assets	5,399	6,543
Difference between pension charge and cash contributions	(2,843)	-
Movements in working capital:		
Decrease in debtors	3,053	8,318
Increase in creditors	4,038	1,698
Cash absorbed by operations	(14,611)	(52,419)

22 Reconciliations on adoption of FRS 102

Reconciliation of fund balances

At 1 Apr 2015 At 31 Mar 2016

	Notes	£	£
Fund balances as reported under previous UK GAAP		229,962	223,889
Recognition of defined pension liability	16	-	(63,152)
Unwinding of pension liability (finance costs)	16	-	(3,970)
Removal of pension deficit contribution from SOFA	16	-	6,434
Fund balances reported under FRS 102		229,962	163,201

EAST HERTS YMCA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

22 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of net movement in funds

	Notes	2016 £
Net movement in funds as reported under previous UK GAAP		(6,073)
Recognition of defined pension liability	16	(63,152)
Unwinding of pension liability (finance costs)	16	(3,970)
Removal of pension deficit contribution from SOFA	16	6,434
Net movement in funds reported under FRS 102		<u>(66,761)</u>

Notes to reconciliations on adoption of FRS 102

Recognition of defined benefit pension deficit liability

As detailed in note 16 upon transition to FRS 102 East Herts YMCA has recognised the discounted liability regarding the recovery plan for the YMCA England multi employer pension scheme. There was no effect as of the 1 April 2015, however during the year ending 31 March 2016 the discounted liability was recognised in full as at 1 May 2015. The pension deficit contribution was then removed from the SOFA and set off against the liability, whilst an unwinding charge was made and included in finance costs.