

Grimsby & Cleethorpes YMCA
(a company limited by guarantee)

FINANCIAL STATEMENTS

31 December 2004



Registered No: 3241634

Grimsby & Cleethorpes YMCA

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Board
C Ellis
P Heath
D Hopkinson
Mrs P Pardy (retired 24 May 2004)
S Parris
P Penszor
P R F Rudd
Dr D T Salisbury
Mrs P Would

Ms S Denton (co-opted 20 September 2004)
S Falconer (co-opted 20 September 2004)
Air Vice-Marshal M Gardiner (co-opted 20 September 2004)
Rev I Walker (co-opted 20 September 2004)

REGISTERED OFFICE

Peaks Lane
Grimsby
North East Lincolnshire
DN32 9ET

AUDITORS

Baker Tilly
Chartered Accountants
27 Osborne Street
Grimsby
North East Lincolnshire
DN31 1NU

HOUSING CORPORATION REGISTERED NUMBER

LH 4152

CHARITY COMMISSION REGISTERED NUMBER

1058613

Grimsby & Cleethorpes YMCA

THE DIRECTORS' REPORT

for the year ended 31 December 2004

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The company's principal activity is to provide youth and community work within the local area through the provision of high quality programmes in the field of:

- social housing
- personal and social development
- sport, health and fitness

The company is a registered social landlord (number LH4152) under the Housing Associations Act 1985 and a registered charity (number 1058613).

BUSINESS REVIEW

During the year the company reduced its hostel bed spaces from 71 and 1 dwelling unit to 67 bed spaces only and, on the 1 January 2004, took ownership, from the National Council of YMCAs of the 26 self-contained bed-sit, Foyer, which it had been managing since 2003.

The company has continued to ensure that it provides good quality housing accommodation for residents through a pro-active approach to maintenance using internal staff supplemented by external contract workers with specialist skills. Discussions between the company, the National Council of YMCAs, the architect and the main contractor for the Foyer were continuing at the end of 2004 to resolve outstanding building issues. The company does not anticipate these discussions having any impact upon its financial position.

Occupancy of the hostel was of some concern during the first two thirds of the year but has steadily risen to over 95% by the end of 2004. The Foyer project has practically maintained full occupancy throughout the year.

Community work has continued to develop. In particular the opening of a drop-in centre in Waltham, initially funded for two years by the National Lottery, has increased our work in the outlying villages. Our detached youth work projects provide a vital link between specialist service providers and the young people of the area. Our work with local schools continues with an extension of our after-school clubs funded by the Children's Fund. In addition anti-bullying work with local junior schools has been developed through local funding.

The company was re-accredited for Investors in People and secured accreditation with the Foyer Federation.

As a registered charity the company aims to make only a modest surplus each year. Indeed, much of its income is from government and major trusts and, as such, is ring-fenced to specific projects and activities with no allowance for surplus. It is a requirement of the housing regulator that housing and non-housing activities should independently be seen to be financially viable. The company has achieved this objective.

The year has been successful in that the results of the company for the year ended 31 December 2004 show an overall surplus of £128,637, after exceptional income of £69,160 (see note 4), which after net transfers to designated reserves of £46,160 leaves £82,477 to be added to revenue reserves. Revenue reserves at 31 December 2004 are £221,752. The directors do not propose to make a distribution.

FUTURE DEVELOPMENTS

Conscious of the age of the buildings at its Peaks Lane site, the directors have formed a sub-group to consider the future of the site and to recommend alternative strategies to ensure the company remains financially stable and equipped to service the needs of the local community.

Work on strategic risk analysis has continued and the company has reviewed its insurance cover and building valuations.

FIXED ASSETS

Details of the movements in fixed assets are set out in note 8.

Grimsby & Cleethorpes YMCA

THE DIRECTORS' REPORT

for the year ended 31 December 2004

DIRECTORS

The directors of the company during the year were:

J Board	S Parris	Ms S Denton (co-opted 20 September 2004)
C Ellis	P Penszor	S Falconer (co-opted 20 September 2004)
P Heath	P R F Rudd	Air Vice-Marshal M Gardiner
D Hopkinson	Dr D T Salisbury	(co-opted 20 September 2004)
Mrs P Pardy (retired 24 May 2004)	Mrs P Would	Rev I Walker (co-opted 20 September 2004)

TREASURY MANAGEMENT

The company's treasury operations are managed by the finance section, and are subject to policies approved by the Board of Directors, with delegated authorities supplemented by detailed procedures and bank mandates. The company's treasury activities are routinely reported to the Board of Directors. The main financial risks to which the company is exposed relate to changes in the government's funding of special-needs housing.

LIQUIDITY

Throughout the year the company's policy has been to ensure flexibility and continuity of funding through the use of deposits.

PAYMENT POLICY

It is the policy of the company to establish terms of payment with suppliers when agreeing terms of business wherever practicable.

The average number of days between receipt and payment of purchase invoices was 30 days (2003 30 days).

EMPLOYEES

The company believes firmly in equal opportunities, personal development and in ongoing training opportunities. The company wishes all staff to be trained to their maximum potential. New staff are appointed on the basis of merit only. The company encourages staff involvement and is committed to ensuring the health, safety and welfare of all staff.

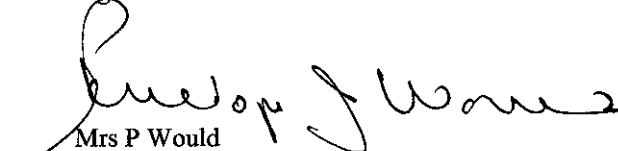
TRUSTEE AND OFFICER INDEMNITY INSURANCE

During the year the company purchased and maintained liability insurance for its Directors.

RESERVES

The company aim to build up reserves representing 3 to 6 months of expenditure to allow them to continue with their activities.

Signed on behalf of the board



Mrs P Would
Director

25 April 2005

Grimsby & Cleethorpes YMCA

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards and the Statement of Recommended Practice, Accounting by Registered Social Landlords have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Grimsby & Cleethorpes YMCA

BOARD OF DIRECTORS' STATEMENT ON INTERNAL FINANCIAL CONTROLS

The Board of Directors acknowledge their ultimate responsibility for ensuring that the company has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the company or for publication
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposition.

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

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

THE BOARD OF DIRECTORS

Building on the board training carried out in 2003, the directors have taken the opportunity, during 2004 to review their skill base. Through co-option they have added additional housing management, chartered accountancy, strategic management and pastoral care expertise in response to this review.

At the 31 December 2004 the Board of Directors comprised nine elected directors and four co-optees. The Board meets on a monthly basis. *The Board determines the policies of the company. The Board is responsible for the effective internal control mechanisms of the company.* The Board of Directors cannot deal with all details of the company's business and has therefore delegated a number of decisions to either Board sub-committees, working groups or to staff. The main purposes of the sub-committees are to consider policy business issues and to make recommendations to the Board. In addition the sub-committees review the performance of the company on an ongoing basis.

The Board also obtains external specialist advice as necessary.

The Chief Executive and Senior Staff Team are the senior officers of the company, from a control perspective. It is their responsibility to ensure that officers of the company undertake their duties in accordance with the policies of the Board, to ensure that various operational targets set by the Board are met, to present the Board, where appropriate through the sub-committees, with sufficient information to enable the Board to monitor the operation of the policies and to identify the need for new policies or amendments to existing policies and to present proposals to the Board. The Chief Executive and Senior Staff Team can also delegate specific financial and operational matters to other members of the company's staff, as they deem appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIMSBY & CLEETHORPES YMCA

We have audited the financial statements on pages 6 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Housing Act 1996, and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and Statement on Internal Financial Controls. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

Baker Tilly

27 April 2005

Registered Auditor
Chartered Accountants
27 Osborne Street
Grimsby
North East Lincolnshire
DN31 1NU

Grimsby & Cleethorpes YMCA
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2004

	<i>Notes</i>	2004 £	2003 £
TURNOVER		1,047,095	1,045,803
Operating expenses		<u>996,890</u>	<u>1,003,458</u>
OPERATING SURPLUS		50,205	42,345
Bank interest receivable		9,272	6,664
Exceptional items	4	<u>69,160</u>	<u>-</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	128,637	49,009
Taxation	7	<u>-</u>	<u>-</u>
SURPLUS FOR THE YEAR		128,637	49,009
Transfers to designated reserves	12	<u>(46,160)</u>	<u>(21,284)</u>
SURPLUS FOR THE YEAR AFTER TRANSFERS	11	<u>82,477</u>	<u>27,725</u>

The results for both 2004 and 2003 are derived from continuing operations.

There are no recognised gains or losses other than the surplus for the year.

The notes on pages 8 to 12 form part of these financial statements

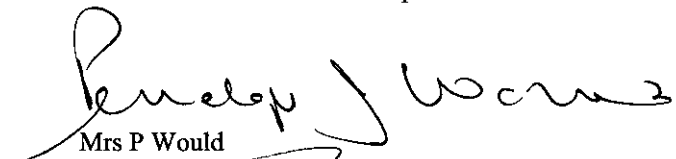
Grimsby & Cleethorpes YMCA

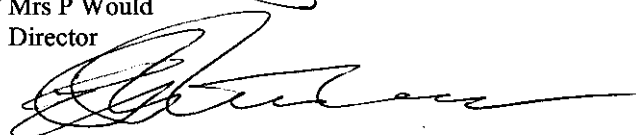
BALANCE SHEET

31 December 2004

	Notes	£	2004 £	£	2003 £
FIXED ASSETS					
Housing property	8		1,887,796		467,539
Less: Social housing and other grants	8		(1,756,711)		(338,261)
			131,085		129,278
Other fixed assets	8		112,583		121,933
Less: Other grants	8		(84,829)		(84,829)
			158,839		166,382
CURRENT ASSETS					
Stock		2,802		4,065	
Debtors	9	186,168		51,982	
Cash at bank		344,830		389,818	
Cash in hand		<u>3,547</u>		<u>1,583</u>	
		537,347		447,448	
CREDITORS					
Amounts falling due within one year	10	(158,239)		(204,520)	
NET CURRENT ASSETS			<u>379,108</u>		<u>242,928</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>537,947</u>		<u>409,310</u>
CAPITAL AND RESERVES					
Capital reserve	11		177,834		180,707
Income and expenditure account	11		221,752		136,402
Designated reserves	12		<u>138,361</u>		<u>92,201</u>
			<u>537,947</u>		<u>409,310</u>

The financial statements on pages 6 to 12 were approved by the board of directors on 25 April 2005.


Mrs P Would
Director


P Penszor
Director

The notes on pages 8 to 12 form part of these financial statements

Grimsby & Cleethorpes YMCA

ACCOUNTING POLICIES

STATUTORY BASIS

The accounts of the company are governed by the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice; Accounting by Registered Social Landlords and the Accounting Requirements for Registered Social Landlords General Determination 2000.

TURNOVER

Turnover comprises:

- i) rental income and other residential charges from tenants receivable in the year;
- ii) other services included at the invoiced value of goods and services supplied in the year; and
- iii) revenue grants.

SOCIAL HOUSING GRANT AND OTHER GRANTS

Where developments have been financed wholly or partly by grants, the cost of these developments has been reduced by the amount of grant received. Social Housing Grant, which is received in advance of the total development programme costs, if applicable, is shown as a current liability. Social Housing Grant is repayable under certain circumstances, primarily following the sale of a property.

Grants received in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

CAPITAL RESERVES

The capital reserve arose on the transfer of the charitable organisation to the company. The reserve is being amortised over the life of the fixed assets transferred.

DESIGNATED RESERVES

A major repairs fund is maintained to provide for repair, improvement or rebuilding of the housing property. A general facilities fund is maintained to provide for the refurbishment of facilities. Annual contributions are charged to the income and expenditure account.

PENSIONS

The cost of the defined benefit pension plan is charged to the Income and Expenditure Account so as to spread the cost of pensions over the service lives of employees. Pension cost is assessed in accordance with the advice of a qualified actuary. Actuarial surpluses and deficits are spread over the average remaining service lives of employees. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Grimsby & Cleethorpes YMCA for the purposes of FRS 17 disclosure.

FIXED ASSETS

Housing properties are principally properties available for rent and are stated at cost less Social Housing Grant and other grants and accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements. In accordance with the statement of recommended practice works on housing properties are capitalised where they enhance the economic benefits of the asset.

Other tangible fixed assets are stated at cost less grants and accumulated depreciation

Depreciation is provided on housing properties (excluding land) to write off the cost less Social Housing Grant over their anticipated useful life of 50 years.

Depreciation is provided on housing property improvements and other tangible fixed assets to write off the cost less residual value and grants received over their anticipated useful life of between 5 and 10 years.

STOCKS

Stocks consist of consumable stores and are valued at the lower of cost and net realisable value.

Grimsby & Cleethorpes YMCA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

	2004	2003
	£	£
1 RENT ARREARS AND RENT		
Rent receivable	304,474	315,301
Service charges receivable	189,362	229,762
Losses from voids	<u>(42,254)</u>	<u>(60,663)</u>
	<u>451,582</u>	<u>484,400</u>

	2004	2003
	£	£
2 DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS		
Chief executive (who is not a director)		
Emoluments		
(including pension contributions and benefits in kind)	<u>42,042</u>	<u>40,806</u>
(excluding pension contributions)	<u>36,750</u>	<u>35,670</u>
The Chief Executive is an ordinary member of the National Council of YMCA's Pension Scheme.		
Total expenses reimbursed not chargeable to United Kingdom income tax		
Chief executive	<u>1,197</u>	<u>2,695</u>

The directors received no remuneration during the year.

	2004	2003
	Number	Number
3 EMPLOYEE INFORMATION		
The average monthly number of persons during the year was	<u>65</u>	<u>52</u>
The average monthly number of employees expressed in full time equivalents was	<u>38</u>	<u>33</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	669,565	574,864
Social security costs	46,618	38,566
Other pension costs	<u>14,132</u>	<u>14,881</u>
	<u>730,315</u>	<u>628,311</u>

4 EXCEPTIONAL ITEMS

Following a decision by the European Court of Justice a claim was made to Customs and Excise in respect of VAT charged on certain activities in previous years. The exceptional item relates to amounts received after 31 December 2004 from Customs and Excise.

Grimsby & Cleethorpes YMCA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

	2004 £	2003 £
5 SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		
Surplus on ordinary activities before taxation is stated after charging/(crediting):		
Bad debts	9,926	6,995
Depreciation of tangible fixed assets		
- freehold housing properties	3,393	3,938
- other	9,350	10,382
Auditors' remuneration - as auditors	5,670	5,670
- other services	-	2,750
Revenue grants	<u>(482,789)</u>	<u>(449,533)</u>

	2004 £	2003 £
6 REVENUE FUNDING		
Included in turnover are the following amounts which have been treated as restricted funds and have been applied to the purposes granted		
Big Lottery (formerly Community Fund)	<u>65,080</u>	<u>1,500</u>
Big Lottery (formerly NOF)	<u>34,361</u>	<u>28,760</u>

7 TAXATION

The company is a registered charity and is therefore exempt from liability to taxation on its income and capital gains.

8 TANGIBLE FIXED ASSETS

	Housing Property £	Freehold Housing Property Improvements £	Other £	Total £
Cost				
At 1 January 2004	232,907	267,922	216,166	716,995
Additions	5,200	-	-	5,200
Cost transferred in	<u>1,418,450</u>	<u>-</u>	<u>-</u>	<u>1,418,450</u>
At 31 December 2004	<u>1,656,557</u>	<u>267,922</u>	<u>216,166</u>	<u>2,140,645</u>
Less: Depreciation				
At 1 January 2004	14,365	18,925	94,233	127,523
Charge for the year	<u>3,393</u>	<u>-</u>	<u>9,350</u>	<u>12,743</u>
At 31 December 2004	<u>17,758</u>	<u>18,925</u>	<u>103,583</u>	<u>140,266</u>

Grimsby & Cleethorpes YMCA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

8 TANGIBLE FIXED ASSETS (continued)

	Housing Property £	Freehold Housing Property Improvements £	Other £	Total £
Less: Social Housing Grants				
At 1 January 2004 and 31 December 2004	<u>89,264</u>	<u>-</u>	<u>-</u>	<u>89,264</u>
Less: Other grants				
At 1 January 2004 and 31 December 2004	-	248,997	84,829	333,826
Grants transferred in	<u>1,418,450</u>	<u>-</u>	<u>-</u>	<u>1,418,450</u>
At 31 December 2004	<u>1,418,450</u>	<u>248,997</u>	<u>84,829</u>	<u>1,752,276</u>
Net book value				
At 31 December 2004	<u>131,085</u>	<u>-</u>	<u>27,754</u>	<u>158,839</u>
At 31 December 2003	<u>129,278</u>	<u>-</u>	<u>37,104</u>	<u>166,382</u>

The net book value of housing is analysed as follows:

Freehold property	131,085
Long leasehold property (cost £1,418,450)	<u>-</u>
	<u>131,085</u>

	2004 £	2003 £
9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Arrears of hostel rents	46,811	24,349
Other debtors and prepayments	<u>139,357</u>	<u>27,633</u>
	<u>186,168</u>	<u>51,982</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	40,591	90,801
Grants received in advance	56,688	59,548
Other taxation and social security	17,647	11,374
Accruals and deferred income	<u>43,313</u>	<u>42,797</u>
	<u>158,239</u>	<u>204,520</u>

Grimsby & Cleethorpes YMCA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

11 RECONCILIATION OF MOVEMENTS IN RESERVES

	Capital Reserve £	Income and Expenditure Account £	Total £
At 1 January 2004	180,707	136,402	317,109
Surplus for the year after transfers	-	82,477	82,477
Transfer	(2,873)	2,873	-
At 31 December 2004	<u>177,834</u>	<u>221,752</u>	<u>399,586</u>

The transfer from capital reserve arises from the amortisation of tangible fixed assets transferred from the previous undertaking for no consideration.

	Major Housing Repairs Fund	General Facilities Fund	Total
At 1 January 2004	66,106	26,095	92,201
Transfer from income and expenditure account	<u>21,160</u>	<u>25,000</u>	<u>46,160</u>
At 31 December 2004	<u>87,266</u>	<u>51,095</u>	<u>138,361</u>

12 DESIGNATED RESERVES

All employees are eligible to join the National Council of Young Men's Christian Association's (incorporated) Pension & Assurance Plan, which is a defined benefit pension scheme. The assets of the scheme are held separately, being invested in the Legal & General and Schroders Managed Funds Units.

The pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 1 May 2002. The assumptions that have the most significant effect on the valuation and other relevant data are as follows:

Rate of return on investments	-	6.5%
Rate of increase in salaries	-	4.25%

The market value of the assets at the date of the last valuation was £33.9m.

The National Council of Young Men's Christian Associations (incorporated) Pension and Assurance Plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Grimsby & Cleethorpes YMCA for the purposes of FRS 17 disclosure.

The actuarial valuation of the assets represented 76% of the benefits that had been accrued to members after allowing for expected increases in earnings. However, under Section 56 of the Pensions Act 1995, the Minimum Funding Requirement (the MFR) funding level was 86%. During the year ended 31 December 2004 contributions for employees were 8% of salary and the employer contributions were 14.4%.