

Grimsby & Cleethorpes YMCA  
(a company limited by guarantee)

FINANCIAL STATEMENTS

31 December 2006



# Grimsby & Cleethorpes YMCA

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

J Board (resigned 27 February 2006)  
C Ellis  
D Hopkinson  
S Parris  
P R F Rudd  
Dr D T Salisbury (resigned 30 January 2006)  
Mrs P Would  
Ms S Denton  
S Falconer  
Air Vice-Marshal M Gardiner

Rev I Walker (co-opted)

### REGISTERED OFFICE

Peaks Lane  
Grimsby  
North East Lincolnshire  
DN32 9ET

### AUDITORS

Baker Tilly  
Chartered Accountants  
Wilberforce Court  
Alfred Gelder Street  
Hull  
HU1 1YH

### HOUSING CORPORATION REGISTERED NUMBER

LH 4152

### CHARITY COMMISSION REGISTERED NUMBER

1058613

# Grimsby & Cleethorpes YMCA

## THE DIRECTORS' REPORT

for the year ended 31 December 2006

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2006

### 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 was incorporated on 23 August 1996 as Grimsby & Cleethorpes YMCA

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

### BUSINESS REVIEW

2006 has been a year of many changes and challenges. The Association continued to operate its two housing units throughout the year. Occupancy at the foyer site was good. However, the Peaks Lane site has faced fluctuations in occupancy mainly due to the challenging nature of some of the client group. The Association provides 67 units of accommodation at Peaks Lane and 26 at the Foyer.

The issues we have faced have affected the financial performance of the organisation and in particular the housing work. Discussions with the local Supporting People team have been held to tackle the funding issue and it is hoped that a positive response will be forthcoming to prevent re-occurrence of this problem.

The Association 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.

Community work has seen a reduction in funding and the Drop-In Centre, in Waltham, has been closed. We are seeking new funding for this work and a new location to work out of. The Drop-In at New Waltham continues with a variety of opportunities for young people. 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 using local funding.

The Association successfully achieved Supporting People accreditation and "Investors in People" status in 2006.

As a registered charity we aim to make only a modest surplus each year. Indeed, much of our income is from government and major trusts and, as such, is ring-fenced to specific projects and activities with no allowance for surplus. Unfortunately it has been a difficult year and the association has been without a full time CEO for much of the year.

The results of the Association for the year ended 31 December 2006 before exceptional items show an overall deficit of £ 46,979 which increased to a deficit of £ 79,781, after exceptional expenditure of £32,802 (see note 4). Net transfers to designated reserves have been made leaving an overall deficit of £94,910 to be deducted from revenue reserves. Revenue reserves at 31 December 2006 are £101,412. The directors do not propose to make a distribution.

### FUTURE DEVELOPMENTS

Building on the work done by its development sub-groups in 2005, the Association identified that a major review of its strategic direction needs to be undertaken. Specifically there are two options for the Peaks Lane site. The first and preferred option is to sell the site and relocate to the town centre having reviewed the types of service the YMCA wants to offer in the future. This would be a new build and discussions with the local authority are on-going. The second option is to redevelop the Peaks Lane site and either complete an internal re-fit of the existing hostel or build a new facility on site. The existing facility could then be converted to commercial business use. Whichever option is finally chosen it is clear that the status quo is not an option and that significant grant capital will be needed.

# Grimsby & Cleethorpes YMCA

## THE DIRECTORS' REPORT

for the year ended 31 December 2006

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### FIXED ASSETS

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

### DIRECTORS

The directors of the company during the year were

J Board (Resigned 27 February 2006)  
D Hopkinson  
S Falconer  
Rev I Walker (co-opted)

Mrs P Would  
S Parris  
Air Vice-Marshal M Gardiner  
Dr D T Salisbury (Resigned 30 January 2006)

P R F Rudd  
Ms S Denton  
C Ellis

### GOVERNANCE AND MANAGEMENT

In accordance with the Memorandum and Articles of Association the membership of the Board consists of The President and Honorary Treasurer plus not less than 5 and not more than 9 elected members. At every Annual General Meeting one third of the members of the Board for the time being, or if their number is not a multiple of 3 then the number nearest to one third, shall retire from office.

In addition there is a Finance and Personnel Sub Committee which has the power to recommend issues for approval by the Board of Management. The full Board meet 12 times per year and the Finance and Personnel Sub Committee 3 times per year.

Day to Day management is delegated to the Chief Executive Officer and staff, in accordance the Delegated Powers of Authority approved by the Board.

### DIRECTOR INDUCTION AND TRAINING

New Directors undergo informal orientation sessions which include invitation to an Executive Committee meeting prior to becoming a Director, visiting the registered office of the company to familiarise themselves in the way the organisation carries out its day to day duties and implements decisions. Business planning, the Memorandum and Articles of Association and financial performance are also covered and an induction pack is provided together with one to one briefing session with the Chief Officer.

Directors are encouraged to attend external training events which assist them in undertaking the role.

### RENTS

The company has an established rent policy which aims to charge rents within the guidelines set out by the Housing Corporation.

### 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 (2005 30 days).

# Grimsby & Cleethorpes YMCA

## THE DIRECTORS' REPORT

for the year ended 31 December 2006

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### 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.

### DIRECTOR AND OFFICER INDEMNITY INSURANCE

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

### RESERVES

The company aims to build up income and expenditure reserves representing 3 to 6 months of expenditure to allow them to continue with their activities. A major repairs fund is maintained to provide for repair, improvements and rebuilding of the housing property. A general facilities fund is maintained to provide for refurbishment of other facilities.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. Each of the directors has confirmed that they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Signed on behalf of the board



D. Hopkinson  
Director

26 March 2007

# Grimsby & Cleethorpes YMCA

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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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 2006. 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

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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

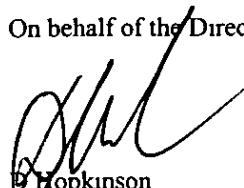
At the 31 December 2006 the Board of Directors comprised eight elected directors and one co-optee. The Board meets on a monthly basis. The Board determines the policies of the company. The Board is responsible for the effective internal control mechanisms of the company. The Board of Directors cannot 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.

The Board of Directors regularly reviews the effectiveness of the system of internal controls.

On behalf of the Directors



D. Hopkinson  
Director

26 March 2007

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

We have audited the financial statements on pages 7 to 14

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 directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Directors Report and consider whether it is consistent with the audited financial statements. The 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2006 and of its deficit 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 2006, and
- the information given in the Directors' Report is consistent with the financial statements.

  
BAKER TILLY

29 March 2007

Registered Auditor  
Chartered Accountants  
Wilberforce Court  
Alfred Gelder Street  
Hull  
HU1 1YH



# Grimsby & Cleethorpes YMCA

## INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2006

	Notes	2006 £	2005 £
TURNOVER		1,040,241	1,043,588
Operating expenses		<u>1,102,642</u>	<u>1,024,619</u>
OPERATING (DEFICIT)/SURPLUS		(62,401)	18,969
Bank interest receivable		15,422	14,913
Exceptional items	4	<u>(32,802)</u>	<u>(39,135)</u>
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(79,781)	(5,253)
Taxation	7	—	—
DEFICIT FOR THE YEAR	11	<u>(79,781)</u>	<u>(5,253)</u>

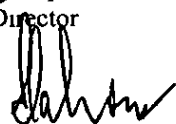
The results for both 2006 and 2005 are derived from continuing operations

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

The financial statements on pages 7 to 14 were approved by the board of directors on 26 March 2007 and signed on its behalf by



D. Hopkinson  
Director



S Falconer  
Director

The notes on pages 11 to 14 form part of these financial statements

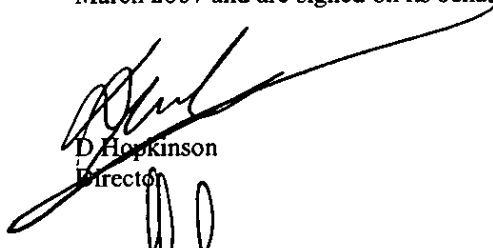
# Grimsby & Cleethorpes YMCA


## BALANCE SHEET

31 December 2006

	Notes	£	2006 £	£	2005 £
<b>FIXED ASSETS</b>					
Housing property	8		1,881,010		1,884,403
Less Social housing and other grants	8		<u>(1,756,711)</u>		<u>(1,756,711)</u>
			124,299		127,692
Other fixed assets	8		100,847		105,827
Less Other grants	8		<u>(84,829)</u>		<u>(84,829)</u>
			140,317		148,690
<b>CURRENT ASSETS</b>					
Stock		3,525		3,306	
Debtors	9	48,532		76,456	
Cash at bank		382,922		439,450	
Cash in hand		<u>3,444</u>		<u>4,972</u>	
		438,423		524,184	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>(125,827)</u>		<u>(140,180)</u>	
<b>NET CURRENT ASSETS</b>			<u>312,596</u>		<u>384,004</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>452,913</u>		<u>532,694</u>
<b>CAPITAL AND RESERVES</b>					
Capital reserve	11		172,088		174,961
Income and expenditure account	11		101,412		196,322
Designated reserves	12		<u>179,413</u>		<u>161,411</u>
			<u>452,913</u>		<u>532,694</u>

The financial statements on pages 7 to 14 were approved by the board of directors and authorised for issue on 26 March 2007 and are signed on its behalf by

  
D. Hopkinson  
Director

  
S. Falconer  
Director

The notes on pages 11 to 14 form part of these financial statements

# Grimsby & Cleethorpes YMCA

## ACCOUNTING POLICIES

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### 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 2006

### 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 (2005) and the Accounting Requirements for Registered Social Landlords General Determination 2006

### 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 excluding Value Added Tax, and
- iii) revenue grants
- iv) supporting people income

### 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 transfers are made from the income and expenditure account to designated reserves.

### PENSIONS

Grimsby & Cleethorpes YMCA participates in a multi-employer pension plan for employees of YMCAs in England, Scotland and Wales. 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.

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 qualified actuaries. Actuarial surpluses and deficits are currently spread over a period of 12 years.

### 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.

# Grimsby & Cleethorpes YMCA

## ACCOUNTING POLICIES

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### FIXED ASSETS (continued)

Annual impairment reviews are carried out where the remaining useful economic life is greater than 50 years  
Where there is evidence of impairments, assets are written down to their recoverable amount through a charge to the income and expenditure account

### 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 2006**

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	2006 £	2005 £
<b>1 RENT ARREARS AND RENT</b>		
Rent receivable	316,148	322,591
Service charges receivable	215,104	198,260
Losses from voids	<u>(49,313)</u>	<u>(16,417)</u>
	<u>481,939</u>	<u>504,434</u>
<b>2 DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS</b>	2006 £	2005 £
Chief executive (who is not a director) emoluments (including pension contributions and benefits in kind)	<u>42,896</u>	<u>43,186</u>
(excluding pension contributions)	<u>35,038</u>	<u>37,750</u>
Compensation for loss of office	<u>20,000</u>	<u>-</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>1,714</u>	<u>2,569</u>
The directors received no remuneration during the year		
<b>3 EMPLOYEE INFORMATION</b>	2006 Number	2005 Number
The monthly number of employees expressed in full time equivalents was	<u>39</u>	<u>40</u>
	£	£
Staff costs		
Wages and salaries	744,993	690,448
Social security costs	53,797	50,894
Other pension costs	<u>15,847</u>	<u>13,396</u>
	<u>814,637</u>	<u>754,738</u>

**4 EXCEPTIONAL ITEMS**

In 2006 the exceptional item relates to redundancy costs

In 2005 the exceptional item relates to reorganisation and restructuring costs including redundancy

**Grimsby & Cleethorpes YMCA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2006**

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	2006 £	2005 £
<b>5 DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
Deficit on ordinary activities before taxation is stated after charging/(crediting)		
Bad debts	27,469	14,087
Depreciation of tangible fixed assets		
- freehold housing properties	3,393	3,393
- other	6,411	8,703
Auditors' remuneration - as auditors	6,880	6,880
Revenue grants	<u>(81,671)</u>	<u>(119,423)</u>

	2006 £	2005 £
<b>6 REVENUE FUNDING</b>		
Included in turnover are the following amounts which have been treated as restricted funds and have been applied to the purposes granted/contracted		
Big Lottery (formerly Community Fund) (grant)	<u>15,000</u>	<u>65,209</u>
Supporting People (contract)	<u>349,785</u>	<u>312,674</u>

**7 TAXATION**

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

**Grimsby & Cleethorpes YMCA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2006**

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**8 TANGIBLE FIXED ASSETS**

	Freehold Housing Property £	Other £	Total £
Cost			
At 1 January 2006	1,924,479	218,113	2,142,592
Additions	<u>-</u>	<u>1,431</u>	<u>1,431</u>
At 31 December 2006	<u>1,924,479</u>	<u>219,544</u>	<u>2,144,023</u>
Less Depreciation			
At 1 January 2006	40,076	112,286	152,362
Charge for the year	<u>3,393</u>	<u>6,411</u>	<u>9,804</u>
At 31 December 2006	<u>43,469</u>	<u>118,697</u>	<u>162,166</u>
Less Social Housing Grants			
At 1 January 2006 and 31 December 2006	<u>314,511</u>	<u>-</u>	<u>314,511</u>
Less Other grants			
At 1 January 2006 and 31 December 2006	<u>1,442,200</u>	<u>84,829</u>	<u>1,527,029</u>
Net book value			
At 31 December 2006	<u>124,299</u>	<u>16,018</u>	<u>140,317</u>
At 31 December 2005	<u>127,692</u>	<u>20,998</u>	<u>148,690</u>
	2006		2005
	£		£
<b>9 DEBTORS</b> Amounts falling due within one year			
Arrears of hostel rents	13,511		10,028
Other debtors and prepayments	<u>35,021</u>		<u>66,428</u>
	<u>48,532</u>		<u>76,456</u>
<b>10 CREDITORS</b> Amounts falling due within one year			
Trade creditors	31,641		30,220
Grants received in advance	18,633		40,668
Other taxation and social security	30,227		31,314
Accruals and deferred income	<u>45,326</u>		<u>37,978</u>
	<u>125,827</u>		<u>140,180</u>

# Grimsby & Cleethorpes YMCA

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

### 11 RECONCILIATION OF MOVEMENTS IN RESERVES

	Capital Reserve £	Income and Expenditure Account £	Total £
At 1 January 2006	174,961	196,322	371,283
Deficit for the year	-	(79,781)	(79,781)
Transfer to designated reserves	-	(18,002)	(18,002)
Transfer	<u>(2,873)</u>	<u>2,873</u>	<u>-</u>
At 31 December 2006	<u>172,088</u>	<u>101,412</u>	<u>273,500</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 2006	110,316	51,095	161,411
Transfer from income and expenditure account	21,527	-	21,527
Transfer	<u>(1,916)</u>	<u>(1,609)</u>	<u>(3,525)</u>
At 31 December 2006	<u>129,927</u>	<u>49,486</u>	<u>179,413</u>

### 12 DESIGNATED RESERVES

### 13 PENSION COMMITMENTS

Grimsby & Cleethorpes YMCA participates 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 Grimsby & Cleethorpes YMCA and at the year end these are invested in pooled funds operated by Northern Trust, Legal & General and Schroder. Northern Trust manage the Plan's equities and bonds, Legal & General and Schroder manage property units only. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The pension charge for the year is shown in note 3.

The most recent completed three year valuation was as at 1 May 2005. The assumptions used which have the most significant effect on the results of the valuation are those relating to the pre-retirement investment yield of 7.0% per annum, the post-retirement investment yield of 5.0% and the rate of earnings increase of 5.25% per annum. The result of the valuation showed that the actuarial value of the assets was £34.3m. This represented 57% of the benefits that had accrued to members, after allowing for expected future increases in earnings. However, under Section 56 of the Pensions Act 1995, the Minimum Funding Requirement (the MFR) funding level was 89%. During the year ended 31 December 2006, contributions for employees were 8% of salary and the employer contributions were 14.4% increasing to 26% from 1 July 2006.

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 FRS17 disclosure and is therefore accounted for as a defined contributions scheme.

After taking professional advice and having consideration to the various options open to them, YMCA England in its capacity as Principal Employer in the YMCA Pension Plan and in conjunction with the Trustee of the YMCA Pension Plan, made the recommendation that the YMCA Pension Plan should close to new members and future benefit accruals. After consultation with members and participating YMCA employers, the Trustee of the YMCA Pension Plan informed participating YMCA Employers on 8 May 2006 that they would adopt the recommendation and that the YMCA Pension Plan will close with effect from 30 April 2007.

An interim valuation, prepared as at 1 May 2006, showed that the YMCA Pension Plan had a deficit of £22 million. Grimsby & Cleethorpes YMCA has been advised that it will need to make monthly contributions of £1,022 over a period of 12 years. This amount is based on the current actuarial assumptions (as outlined above) and will vary in the future as a result of actual performance of the Pension Plan.

In addition Grimsby & Cleethorpes YMCA may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Grimsby & Cleethorpes YMCA may be called upon to pay in future.