

Grimsby & Cleethorpes YMCA  
(a company limited by guarantee)

FINANCIAL STATEMENTS

31 December 2003



# Grimsby & Cleethorpes YMCA

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

J Board  
C Ellis  
P Heath  
D Hopkinson  
Mrs P Pardy  
Mr S Parris  
P Penszor  
P R F Rudd  
Dr D T Salisbury  
Mrs P Would

### REGISTERED OFFICE

Peaks Lane  
Grimsby  
North East Lincolnshire  
DN32 9ET

### AUDITORS

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

# Grimsby & Cleethorpes YMCA

## THE DIRECTORS' REPORT

for the year ended 31 December 2003

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2003.

### BUSINESS REVIEW

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).

### SURPLUS FOR THE YEAR

The company achieved a surplus for the year of £27,725. The directors do not propose to make a distribution.

### DIRECTORS

The directors of the company during the year were:

J Board	Mrs P Pardy
C Ellis	P Penszor
Mrs P Would	P R F Rudd
P Heath	Mrs G M Tate (resigned 2 June 2003)
D Hopkinson	J Wiseman (died 16 June 2003)
Dr D T Salisbury	Mr S Parris

### BED SPACES

During the year there was one dwelling unit, 71 hostel bed spaces and 26 self-contained units in management.

### RESERVES

The company aim to build up reserves representing 3 to 6 months of expenditure.

Signed on behalf of the board



J Board  
Director

29 March 2004

# Grimsby & Cleethorpes YMCA

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

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Housing Association legislation requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those accounts the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Statement of Recommended Practice, Accounting by Registered Social Landlords; and
- prepare the financial statements on the going concern basis.

The Directors confirm that the accounts comply with the above requirements.

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 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

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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 procedures, through relevant sub-committees comprising Board members.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

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

We have audited the financial statements on pages 5 to 11.

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. 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 apply to any other information.

## **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2003 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

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

30 April 2004

**Grimsby & Cleethorpes YMCA**  
**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 December 2003**

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	<i>Notes</i>	2003 £	2002 £
TURNOVER		1,045,803	832,655
Operating expenses		<u>1,003,458</u>	<u>754,445</u>
OPERATING SURPLUS		42,345	78,210
Bank interest receivable		<u>6,664</u>	<u>6,366</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	49,009	84,576
Taxation	5	<u>-</u>	<u>-</u>
SURPLUS FOR THE YEAR		49,009	84,576
Transfers to designated reserves	10	<u>(21,284)</u>	<u>(46,200)</u>
SURPLUS FOR THE YEAR AFTER TRANSFERS	9	<u>27,725</u>	<u>38,376</u>

The results for both 2003 and 2002 are derived from continuing operations.

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

The notes on pages 7 to 11 form part of these financial statements

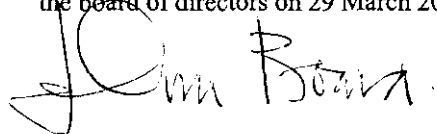
# Grimsby & Cleethorpes YMCA

## BALANCE SHEET

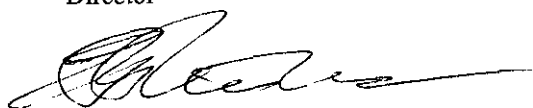
31 December 2003

	Notes	£	2003 £	2002 £
<b>FIXED ASSETS</b>				
Housing property	6		467,539	471,477
Less: Social housing and other grants	6		<u>(338,261)</u>	<u>(338,261)</u>
			129,278	133,216
Other fixed assets	6		121,933	110,662
Less: Other grants	6		<u>(84,829)</u>	<u>(84,829)</u>
			166,382	159,049
<b>CURRENT ASSETS</b>				
Stock		4,065		3,180
Debtors	7	51,982		50,176
Cash at bank		389,818		306,471
Cash in hand		<u>1,583</u>		<u>884</u>
		447,448		360,711
<b>CREDITORS</b>				
Amounts falling due within one year	8	<u>(204,520)</u>		<u>(159,459)</u>
<b>NET CURRENT ASSETS</b>			<u>242,928</u>	<u>201,252</u>
<b>TOTAL ASSETS LESS</b>				
<b>CURRENT LIABILITIES</b>			<u>409,310</u>	<u>360,301</u>
<b>CAPITAL AND RESERVES</b>				
Capital reserve	9		180,707	183,580
Income and expenditure account	9		136,402	105,804
Designated reserves	10		<u>92,201</u>	<u>70,917</u>
			<u>409,310</u>	<u>360,301</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 29 March 2004



J Board  
Director



P Penszor  
Director

The notes on pages 7 to 11 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 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 for 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.

### 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 2003

	2003	2002
	£	£
1 RENT ARREARS AND RENT		
Rent receivable	315,301	343,618
Service charges receivable	229,762	218,109
Losses from voids	<u>(60,663)</u>	<u>(80,441)</u>
	<u>484,400</u>	<u>481,286</u>
2 DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS	2003	2002
	£	£
Chief executive (who is not a director) Emoluments (including pension contributions and benefits in kind)	<u>40,806</u>	<u>39,479</u>
(excluding pension contributions)	<u>35,670</u>	<u>34,510</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>2,695</u>	<u>3,827</u>
The directors received no remuneration during the year.		
3 EMPLOYEE INFORMATION	2003	2002
	Number	Number
The average number of persons employed during the year was	<u>52</u>	<u>48</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	574,864	466,420
Social security costs	38,566	27,013
Other pension costs	<u>14,881</u>	<u>16,300</u>
	<u>628,311</u>	<u>509,733</u>

**Grimsby & Cleethorpes YMCA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2003**

	2003 £	2002 £
<b>4 SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
Surplus on ordinary activities before taxation is stated after charging/(crediting):		
Bad debts	6,995	7,316
Depreciation of tangible fixed assets		
- freehold housing properties	3,938	6,897
- other	10,382	7,164
Auditors' remuneration - as auditors	5,670	5,350
- other services	2,750	1,525
Revenue grants	<u>(449,533)</u>	<u>(245,541)</u>

**5 TAXATION**

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

**6 TANGIBLE FIXED ASSETS**

	Freehold Housing Property £	Freehold Housing Property Improvements £	Other £	Total £
Cost				
At 1 January 2003	232,907	267,922	194,513	695,342
Additions	<u>-</u>	<u>-</u>	<u>21,653</u>	<u>21,653</u>
At 31 December 2003	<u>232,907</u>	<u>267,922</u>	<u>216,166</u>	<u>716,995</u>
Less: Depreciation				
At 1 January 2003	11,492	17,860	83,851	113,203
Charge for the year	<u>2,873</u>	<u>1,065</u>	<u>10,382</u>	<u>14,320</u>
At 31 December 2003	<u>14,365</u>	<u>18,925</u>	<u>94,233</u>	<u>127,523</u>
Less: Social Housing Grants				
At 1 January 2003 and 31 December 2003	<u>89,264</u>	<u>-</u>	<u>-</u>	<u>89,264</u>
Less: Other grants				
At 1 January 2003 and 31 December 2003	<u>-</u>	<u>248,997</u>	<u>84,829</u>	<u>333,826</u>
Net book value				
At 31 December 2003	<u>129,278</u>	<u>-</u>	<u>37,104</u>	<u>166,382</u>
At 31 December 2002	<u>132,151</u>	<u>1,065</u>	<u>25,833</u>	<u>159,049</u>

# Grimsby & Cleethorpes YMCA

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

	2003 £	2002 £
7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Arrears of hostel rents	24,349	34,424
Other debtors and prepayments	<u>27,633</u>	<u>15,752</u>
	<u>51,982</u>	<u>50,176</u>

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	90,801	41,648
Grants received in advance	59,548	44,040
Other taxation and social security	11,374	12,801
Accruals and deferred income	<u>42,797</u>	<u>60,970</u>
	<u>204,520</u>	<u>159,459</u>

### 9 RECONCILIATION OF MOVEMENTS IN RESERVES

	Capital Reserve £	Income and Expenditure Account £	Total £
At 1 January 2003	183,580	105,804	289,384
Surplus for the year after transfers	-	27,725	27,725
Transfer	<u>(2,873)</u>	<u>2,873</u>	<u>-</u>
At 31 December 2003	<u>180,707</u>	<u>136,402</u>	<u>317,109</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
10 DESIGNATED RESERVES			
At 1 January 2003	44,822	26,095	70,917
Transfer from income and expenditure account	<u>21,284</u>	<u>-</u>	<u>21,284</u>
At 31 December 2003	<u>66,106</u>	<u>26,095</u>	<u>92,201</u>

Grimsby & Cleethorpes YMCA  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2003

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11 PENSION COMMITMENTS

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 2003 contributions for employees were 6% of salary and the employer contributions were 14.4%. From 1 May 2003 the contribution rate for employees was increased to 8%, employer contributions remaining at 14.4%.