

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Directors' Report and Financial Statements
For the year ended 31 March 2007



Company Number: 3582739 (England & Wales)

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)

Company Information

Directors	A Greenall	(President)
	Rev J Breslin	(Chairman)
	R M Jackson	(Vice Chairman)
	M S Dormer	(Treasurer)
	J Hunter	
	C Tucker	
	A Proud	
	J Jobes	
	S Wrigg	
Company Secretary	M King	
Company Number	3582739	(England & Wales)
Charity Number	1070578	
Registered Office	592-596 Welbeck Road Walker Newcastle upon Tyne NE6 3AB	
Independent Auditors	HW Chartered Accountants & Registered Auditors Floor 11 Cale Cross House 156 Pilgrim Street Newcastle upon Tyne NE1 6SU	
Bankers	Barclays Bank Plc City Office Percy Street Newcastle upon Tyne	
Solicitors	Sinton & Company The Cube Barrack Road Newcastle upon Tyne	

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Report and Financial Statements
For the year ended 31 March 2007

Contents

	Page
Directors' Report	1-7
Independent Auditors' Report	8
Statement of Financial Activities	9
Balance Sheet	10
Analysis of Fund Balances between the Net Assets	11
Notes to the Financial Statements	12-21
<i>The following pages do not form part of the statutory accounts</i>	
Income and Expenditure Account	22-30
Youth Work Initiative	24
Positive Futures Project	25
Steps Forward Mentoring Project	26
Parenting Route Project	27
Student Project	28
Sports, Health and Fitness Project	29
The Wor House Project	30
Cash flow Statement	31
Notes to the Cash flow Statement	32

**Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Directors' Report
For the year ended 31 March 2007**

The Directors present their report and audited accounts for the year ended 31 March 2007

Reference and administration

Reference and administrative information is detailed on the first page of these financial statements

Structure, Governance and Management

Governing documents

The charity's full name is Newcastle upon Tyne YMCA. It is a registered charity in the United Kingdom, Charity No 1070578 and a company limited by guarantee, registered in England Company No 3582739

The charity's and company's governing documents are its Memorandum and Articles of Association. During the financial year the Board of Directors undertook a periodic review of the Memorandum and Articles, and on the advice of the Charity Commission made amendments that bring it in line with the most up to date illustrative governing document recommended by YMCA England

Recruitment and Appointment of Directors

Directors may from time to time appoint any member of the Charity as a Director, whether to fill a casual vacancy or by way of addition to the Board, provided that the prescribed maximum is not then exceeded. Directors are appointed for three years and are eligible for re-election for further three year terms. At the Annual Meeting of the Charity, held in November 2006, Ms C Tucker, Ms S Wngg, Mr J Jobes and Mr A Proud retired by rotation and being eligible, offered themselves for re-election. No other Director retired or resigned during the year and there have been no new appointments

Directors are recruited by recommendation, by personal invitation or from the client group of the YMCA. Anyone wishing to become a Director is required to undergo a check with the Criminal Records Bureau at enhanced level and sign a declaration that they are not debarred from holding office

Director induction and training

All directors receive induction training. This comprises a meeting with the Chair of Trustees and Chief Executive who outline the mission, structure, governance and financial management of the organisation and explains the responsibilities of trustees/directors. New directors also receive an induction pack which contains copies of the business plan, most recently audited accounts, annual review, structure chart, information about the YMCA Movement and appropriate Charity Commission information relating to the roles and responsibilities of a charity trustee. New Directors visit each YMCA project site to observe the work done by the organisation and they may be attached to one of the sub committees of the Board, which has direct responsibility for one aspect of the charity's work

Training is made available on a regional basis through YMCA England and Trustees are encouraged to access these opportunities

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Directors' Report Continued ...
For the year ended 31 March 2007

Officers

At the Annual Meeting in November 2006 Alan Greenall was reappointed President and Mark Dormer Treasurer for the forthcoming 12 months. James Breslin and Rosemary Jackson were reappointed Chair and Vice Chair respectively at the first general meeting of the Board following the AGM. These appointments were also for one year.

Organisational structure

The charity is managed by a Board of Directors (comprising 9 people) and a sub-committee structure. All meet quarterly. The Chief Executive and Deputy Chief Executive attend meetings of the Board of Directors, but have no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive, the Deputy Chief Executive and the Finance Manager. The Chief Executive is responsible for ensuring that the charity delivers the services agreed by the Board of Directors and ensuring adequate support and supervision of the staff team.

Related parties

In so far as it is complimentary to the charity's objects, the charity is guided by the national YMCA guidance and local and national youth policy. The charity is engaged with the local authority play and youth service and is participating in local developments of the Children's Trusts/Children's Services.

Risk Management

The Board of Directors carries out a full operational risk assessment annually. This highlights areas of strength, weaknesses and threats. The Directors address the weaknesses and threats in the operation and have contingencies and procedures in place to deal with risks. Systems and procedures are in place to mitigate risks the charity faces. Significant risks to funding mean that the Board of Directors regularly reviews the operation to ensure ongoing viability. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to YMCA premises.

Objectives and Activities

The objects as set in the Memorandum of Association 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 fullness of life in Him

To provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life

To provide, improve and manage houses and hostels for providing residential accommodation for men and women of all ages and upon terms appropriate to their means'

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Directors' Report Continued ...
For the year ended 31 March 2007

The Charity fulfils these objects by

- Requiring its Directors and staff to be sympathetic to the Christian aims and purposes of the YMCA Movement
- Its detached, outreach and project work through which the Charity seeks to provide opportunities for the personal social and spiritual development of young people and for young people to explore issues that affect their lives
- Its support work with young people living independently in council or private rented accommodation
- The support given to individual young people referred to the Steps Forward Mentoring Project

Policies

The Charity has an equal opportunities, health and safety and child protection policy in place. The Charity works through the National Council of YMCA's in England (umbrella body) to access the Criminal Records Bureau in respect of clearance for all new staff, paid and voluntary, and Board Members. All checks are at enhanced level.

During the year the Board of Directors has reviewed various policies and procedures of the Association, with particular reference to

- Criminal background investigation, specifically relating to checks with the Criminal Records Bureau
- The Policy on Employment in the Newcastle upon Tyne YMCA
- The rehabilitation and employment of ex-offenders
- The Reserves Policy
- The Redundancy Policy

Achievement and objectives

The Mission of the Newcastle upon Tyne YMCA is to

'Work with young people aged 13 – 25 years in the community providing activities and opportunities that will contribute to their social, physical, educational and spiritual development. There will be a focus on supporting young people at times of their greatest need'

The Newcastle YMCA fulfils its mission through its project work

- The Youth Work Initiative which has bases on the Walker and Byker estates in the City. The Project staff provide a variety of activities and opportunities which young people can access including group work activities, support to young people living independently, outdoor activities and crisis support work.
- The Positive Futures East End Project, which provides activities to young people in the east end who are specifically targeted by referral agencies. The Project currently focuses on aspects of health and fitness, with an emphasis on sport and leisure activities. A very successful YMCA 3-day regional challenge event was run in the school summer holidays by the Project and included young people from three other Associations.
- The Steps Forward Mentoring Project, which provides one to one support to young people using volunteer mentors. The young people accessing the Project are from the refugee and asylum seeking community, young parents, young people engaged with the Youth Offending Team and young people referred by community agencies.

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Director's Report Continued ...
For the year ended 31 March 2007

The Association continues to work in partnership with a wide range of agencies to add value to the services that are available to young people. These include The Northern Learning Trust, the Youth Offending Team, the Play and Youth Service, Connexions Tyne and Wear, the Young Separated Asylum Seekers and Refugees Project, the East End Partnership, the Regional Youth Work Unit, Your Homes Newcastle, Newcastle Independence Network, the Newcastle Arts Forum, Newcastle Council for Voluntary Services and the Churches of the East End. The Association also receives support and guidance from YMCA England through the Regional Executive Officer and the Human Resources Officer.

The strategic development plan of the Association will be updated during the period 2007/2008 and will identify the direction of work over the next three years. An annual plan, which focuses on specific areas of development for each element of the Association, has been prepared.

During the year the Association began discussions with the YMCA of North Tyneside regarding the potential of developing closer working relationships with a view to sharing resources and expertise and widening the range of opportunities available for the beneficiary groups. These discussions are ongoing with an expectation that a model for co-operation will emerge during the forthcoming year.

The Association relies heavily on volunteers to support the delivery of the Steps Forward mentoring Project. Volunteers are recruited from the community and trained to act as mentors to young people who are referred to the Project. Working on a one-to-one basis the mentors meet their young people on a regular, sometimes weekly, basis. At the end of the financial year there were 59 mentors matched to 59 young people accessing the Steps Forward Project. Volunteers are also used in the Youth Work Initiative, however, in this case they are usually young people who have been active in the projects and want to engage in a different way through volunteering.

At the end of March 2007 the Association employed 10 full time and 5 part time staff. Eight full time staff and 3 part time staff are directly involved in the delivery of services to young people. During the year 5 full time staff left the Association due to redundancy as specific funding streams came to an end. One new part time post has been created in the Steps Forward Project.

Premises

The Association owns four sets of premises, two of which are leased on long term arrangements and two are used for the delivery of services to clients and the administration of the Association. In addition the Association leases a suite of premises from the City Council for the work in Byker.

Investments

The Memorandum of Association states that in furtherance of the objects the company shall have the power

'to invest the monies of the Association not immediately required for its purpose in or upon such investments, security or property as may be thought fit, subject, nevertheless on such conditions (if any) and such consents (if any) as may for the time being be imposed or required by the law and subject also as herein after provided

'to employ as a professional investment manager any person who is entitled to carry on investment business under the provisions of the Financial Services Act 2000 and to delegate to any such manager the exercise of all or any of their powers of investment on such terms and at such reasonable remuneration as the Association may think fit subject always to the following conditions

1. the delegated powers shall be exercisable only within clear policy guidelines drawn up in advance by the Association and within the powers of investments covered by the deed

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Directors' Report Continued ...
For the year ended 31 March 2007

- ii *every transaction carried out by the Manager under delegated powers shall be reported to the Association within 14 days*
- iii *the Association shall be bound to review the arrangements for delegation at least once in every 12 months*

The investments held have been acquired in accordance with the powers available to the directors and the value of the investment portfolio has improved in line with stock market performance

Assets

The Charity's assets, both property and cash are being held to carry out its objectives. A valuation of all the properties was carried out in the previous financial year and will be repeated in four year's time

The application of the Charity's funds has been to develop work with young people in a variety of community settings, but with special emphasis on working with young people who live in deprived conditions, who may find themselves marginalised or are in situations of need

Financial Review

Reserves policy

The Charity currently has a contingency fund which amounts to approximately 8 months running costs. These are invested and any interest or dividend accrued is applied to the work of the charity. At 31st March 2007 the reserves amounted to £355,561

Results

The fund balances carried forward at 31 March 2007 show a total of £3,612,967. The majority is represented by freehold property owned by the Association.

An operating surplus amounting to £5,872 is shown in the Statement of Financial Activities.

Over the past year the Association has put in place measures to reduce costs and has taken action to reduce losses. This has resulted in the curtailment of some services to young people and the redundancy of personnel when incoming resources ended. The voluntary sector as a whole is facing a critical period in fund raising as external changes impact on the amount of money that is available to support the work of the sector. This will continue to influence the way in which the Newcastle YMCA develops its work in the future and the scope of its activities. However, the Association is fortunate to have a guaranteed, unrestricted income arising from rent received for its building in the centre of Newcastle, which is leased to the University of Northumbria. The lease has another eight years to run with a review due in 2010.

In addition to this funding, dividend payments from reserves and the income received from an invested legacy, the Association has benefited from the ongoing support of a number of funders including The Big Lottery, the Parenting Fund, Northern Rock Foundation, Lloyds/TSB Foundation, Connexions Tyne & Wear, Neighbourhood Renewal Fund, Football Foundation/Crime Concern, Newcastle Play and Youth Service, Youth Offending Team, the Community Foundation for Tyne Wear and Northumberland and other grant making bodies.

Financial dependency

Just under half of the current financial requirements of the charity are met from its own sources (rental income, interest & dividends from investments and interest from a legacy). The remainder is derived from a wide range of sources including trusts and grant making bodies and central and local government funding. The YMCA acknowledges with gratitude, the support it receives from funding bodies and partners.

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Directors' Report Continued . .
For the year ended 31 March 2007

Plans for the Future

The Newcastle upon Tyne YMCA is committed to maintain its work with young people aged 13 – 25 years. It will do this through its current community based initiatives. A fund-raising strategy is in place to identify sources of income to support the continuation of some of the existing work and any new work that the Association may wish to pursue.

Over the past year the Newcastle YMCA and the YMCA of North Tyneside have been in consultation with regard to the possibility of developing a closer working relationship and sharing resources, particularly those relating to the management function. There are other examples of YMCAs merging which have achieved significant savings in some areas, these have then been applied to improving and extending the services delivered to the charity's beneficiaries. This is at the heart of the decision to consider finding a way in which the two YMCAs can co-operate in the future and will, if possible, mean that current services and expertise in one Association can be made available across a wider area, benefiting the young people whom both Associations are seeking to serve.

The Associations are working closely with the Charity Commission and other regulatory bodies to find a way in which a scheme can be created to achieve the vision. The plans are hindered by the Pension Deficit which is affecting all YMCAs which were members of the National YMCA Pension Scheme. The current pension regulations dictate that where two charities merge, thus dissolving existing charities and creating a new body, this will trigger an immediate and full pension buy out. With the support of YMCA England, the Directors of both YMCAs are negotiating possible and acceptable solutions with the Charity Commission and Pension Regulator.

Directors' responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with the applicable law and United Kingdom generally accepted accounting practice.

Company and charity law 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 results for that year. 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
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue its business

The directors are also responsible for keeping proper records which disclose, with reasonable accuracy and 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. They are also responsible for safeguarding the assets of the company hence taking reasonable steps for the prevention and detection of fraud or other irregularities.

Accounting policies

The accounting policies of the charity have not changed during the year.

Insurance

The Association used Bishop Skinner Brokers Ltd, Newcastle upon Tyne, as the insurance providers for the year.

Indemnity insurance

The Charity does not hold indemnity insurance cover in respect of the Directors of the Charity.

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Directors' Report Continued ...
For the year ended 31 March 2007

Political contributions

The Charity made no political contributions during the year

Policy of payment of creditors

It is the Association's policy, in respect of all suppliers to settle the terms of payment when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment, and abide by the terms of payment

Pension commitment

The Newcastle upon Tyne YMCA participates in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. 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. The Trustee of the YMCA Pension Plan informed Newcastle upon Tyne YMCA on 8 May 2006 that they would adopt the recommendation and that the YMCA Pension Plan will close with effect from 30 April 2007. Arrangements have been put in place to offer a defined benefit scheme and death in service cover for all staff. Refer to note 7 for additional information.

Members of the Directors' Committee

Members of the Directors' Committee, who are trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on the company information page of this report.

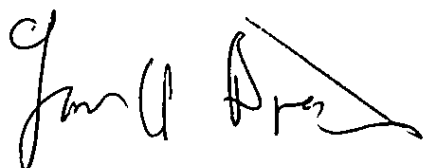
In accordance with company law, as directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the charity auditors are unaware, and
- As the directors of the charity we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and establish that the charity's auditors are aware of that information.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HW be re-appointed as auditors of the charity was put to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting for Charities (issued 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.



Signed on behalf of the Board

James Breslin
(Chairman)

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Independent Auditors' Report
to the members of Newcastle upon Tyne Young Men's Christian Association

We have audited the financial statements of Newcastle upon Tyne YMCA for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

The report is made solely to the charity'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 charity'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 any 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 trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of Newcastle upon Tyne YMCA for the purpose of company law) are responsible for the preparation of the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

We read other information in the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 applicable to smaller entities of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, the financial statements have been properly prepared in accordance with the Companies Act 1985.
- The information given in the Directors Report is consistent with the financial statements.

HW
Chartered Accountants
Registered Auditor

HW
Floor 11
Cale Cross House
156 Pilgrim Street
Newcastle upon Tyne, NE1 6SU

25 September 2007

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Statement of Financial Activities
For the year ended 31 March 2007

	<u>Notes</u>	<u>General Funds</u> £	<u>Capital Fund</u> £	<u>Contingency Fund</u> £	<u>Restricted Funds</u> £	<u>2007 Total</u> £	<u>2006 Total</u> £
Incoming resources							
Incoming resources from generated funds.							
<i>Voluntary income</i>							
Donations and grants	2	4,847	-	-	292,099	296,946	316,471
<i>Activities for generating funds</i>							
Rent received		226,000	-	-	-	226,000	220,163
Investment income		12,780	-	-	-	12,780	16,771
Incoming resources from charitable activities:							
Other income		1,740	-	-	5,356	7,096	7,644
Total incoming resources		245,367	-	-	297,455	542,822	561,049
Resources expended							
Costs of generating funds							
Charitable activities	3	75,931	-	-	457,409	533,340	733,851
Governance costs	4	879	-	-	2,731	3,610	2,451
Total resources expended		76,810	-	-	460,140	536,950	736,302
Net incoming/ (outgoing) resources before other recognised gains and transfers							
		168,557	-	-	(162,685)	5,872	(175,253)
Transfers		(132,694)	-	(29,991)	162,685	-	-
Net incoming/(outgoing) resources for the year		35,863	-	(29,991)	-	5,872	(175,253)
Other recognised gains							
Realised (loss)/gain on revaluation of investments		-	-	(1,687)	-	(1,687)	4,297
Unrealised gain on revaluation of investments	9	-	-	3,054	-	3,054	22,428
Revaluation of properties		-	-	-	-	-	1,337,000
Net movement in funds		35,863	-	(28,624)	-	7,239	1,188,472
Fund balances at 1 April 2006		205,743	3,015,800	384,185	-	3,605,728	2,417,256
Fund balances at 31 March 2007		241,606	3,015,800	355,561	-	3,612,967	3,605,728

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

All incoming resources and resources expended derive from continuing activities

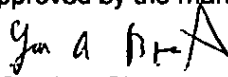
The notes on pages 12 to 21 form part of these financial statements

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Balance Sheet
as at 31 March 2007

	<u>Notes</u>	£	<u>2007</u> £	£	<u>As restated</u> <u>2006</u> £
Fixed Assets					
Tangible assets	8		345,103		400,329
Investments	9				
Quoted Investments			254,846		253,470
Investment properties			<u>3,015,800</u>		<u>3,015,800</u>
			3,615,749		3,669,599
Current Assets					
Debtors	10	25,121		17,025	
Cash at bank and in hand		101,131		132,047	
		<u>126,252</u>		<u>149,072</u>	
Creditors: amounts falling due within one year	11	(129,034)		(212,943)	
Net Current (Liabilities)/Assets			(2,782)		(63,871)
Net Assets			<u>3,612,967</u>		<u>3,605,728</u>
Unrestricted funds					
Designated funds			3,371,361		3,399,985
Unrestricted funds			241,606		205,743
Restricted funds	12		-		-
Total funds			<u>3,612,967</u>		<u>3,605,728</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the management committee on 20/4/07 and signed on its behalf by


J Breslin - Chairman


M S Dormer - Treasurer

The notes on pages 12 to 21 form part of these financial statements

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Analysis of Fund balances between the Net Assets
as at 31 March 2007

	<u>Unrestricted</u> <u>Funds</u> £	<u>Designated Funds</u> <u>Capital</u> <u>Fund</u> £	<u>Contingency</u> <u>Fund</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> £
Fixed assets	345,103	-	-	-	345,103
Fixed asset investment	-	3,015,800	254,846	-	3,270,646
Current assets	25,537	-	100,715	-	126,252
Current liabilities	(129,034)	-	-	-	(129,034)
Net assets	<u>241,606</u>	<u>3,015,800</u>	<u>355,561</u>	<u>-</u>	<u>3,612,967</u>
Represented by:					
Fund balances	<u>241,606</u>	<u>3,015,800</u>	<u>355,561</u>	<u>-</u>	<u>3,612,967</u>

The notes on pages 12 to 21 form part of these financial statements

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

1 Accounting Policies

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice (SORP 2005) regulations

The company has not taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with the applicable accounting standards, which have been applied consistently (except as otherwise stated)

1.3 Donations and voluntary income

Donations and voluntary income are accounted for gross when received

1.4 Grants receivable

Grants for immediate expenditure are accounted for when they become receivable
Grants received for specific purposes are treated as restricted funds
Grants restricted to future accounting periods are deferred and recognised in those periods
Legacies received are unrestricted unless otherwise stated

1.5 Allocation of costs

Costs are allocated between charitable activities and governance costs according to the nature of the cost

1.6 Investment assets

Investment assets are included in the accounts at their open market value. If the investment is to be realised within 12 months it is categorised as a current asset. Investment properties have been reclassified during the year in accordance with the accounting treatment recommended by the SORP 2005. Comparative amounts have been reclassified accordingly

1.7 Realised and unrealised gains and losses

All realised gains and losses are recognised in the accounts. Unrealised gains and losses on investment assets are recognised as detailed in note 1.4. Permanent diminution in the value of fixed assets is charged to the Statement of Financial Activities

1.8 Fixed assets and depreciation

The cost or valuation of fixed assets is written off over their expected useful lives as follows -

Freehold properties	2% straight line basis
Investment properties	No depreciation charged
Motor vehicles	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis
Leasehold improvements	10% reducing balance basis

The buildings will be re-valued every five years commencing on 31 March 2006 and undergo impairment tests annually

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

1 9 Pensions

Contributions are charged to the income and expenditure account as they are incurred

1 10 Pension Commitment

Newcastle upon Tyne 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 Newcastle upon Tyne YMCA for the purposes of FRS 17 disclosure.

The cost of the defined pension plan is charged to the Statement of Financial Activities, 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.

1 11 Fund Accounting

The charity maintains various types of funds as follows -

Restricted funds – These funds are where the donor has imposed restrictions on the use of the funds which are legally binding.

Unrestricted funds – General unrestricted funds represent funds which are expendable at the discretion of the Directors in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds – These funds are held for a specific purpose. The directors have decided that setting aside funds in this way is a useful financial discipline which will help the charity make the best use of its resources, even though there is no legal force to the designation.

1 12 Governance Costs

These represent costs incurred attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

2 Donations and grants

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Designated</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£	£
Legacy	4,697	-	-	4,697	5,040
Memberships	150	-	-	150	150
Play and Youth Services	-	13,000	-	13,000	13,625
Asylum Seekers and Refugee Route Connexions	-	15,000	-	15,000	15,000
Rank Foundation	-	-	-	-	16,554
BIG Lottery Fund	-	41,389	-	41,389	41,972
Foundation Studies	-	-	-	-	30,627
Northern Rock Foundation	-	20,000	-	20,000	13,333
Hentage Lottery	-	-	-	-	16,560
The Wor House Project	-	-	-	-	16,425
Parenting Fund	-	63,590	-	63,590	45,252
Social Inclusion Fund	-	-	-	-	51,672
Newcastle College	-	-	-	-	5,001
NRF Safe Newcastle	-	18,222	-	18,222	-
Football Foundation	-	50,000	-	50,000	-
Other Donations	-	70,898	-	70,898	45,260
	4,847	292,099	-	296,946	316,471

Endowment Legacy is received annually

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

3 Charitable activities

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Designated</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£	£
Salaries	40,673	338,369	-	379,042	503,696
Redundancy payments	-	13,025	-	13,025	23,420
Travelling and subsistence	699	6,481	-	7,180	7,707
IT & Technical Costs	650	1,718	-	2,368	1,968
Telephone	1,078	5,629	-	6,707	8,429
Legal costs	1,180	1,282	-	2,462	2,117
Insurance and Affiliation	3,859	6,193	-	10,052	9,929
Staff training and conferences	1,710	9,266	-	10,976	9,389
Depreciation	13,535	71	-	13,606	21,351
Rent, rates, light and heat	2,568	5,311	-	7,879	16,972
Bank charges	75	-	-	75	135
Printing, postage, stationery and advertising	2,272	9,192	-	11,464	15,580
Refurbishment and set up costs	551	-	-	551	11,921
Repairs, renewals and Cleaning	6,870	4,958	-	11,828	5,173
Overheads	211	1,788	-	1,999	14,005
Project costs	-	12,331	-	12,331	45,617
Programme	-	41,795	-	41,795	36,442
	<u>75,931</u>	<u>457,409</u>	<u>-</u>	<u>533,340</u>	<u>733,851</u>

4 Governance costs

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Designated</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£	£
Audit	879	2,731	-	3,610	2,451

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

5 Staff Costs and Numbers

Staff costs were as follows:

	2007	2006
	£	£
Wages and salaries	307,871	444,130
Pension costs	46,870	37,466
Social Security costs	24,302	35,414
	<hr/>	<hr/>
	379,043	517,010
	<hr/>	<hr/>

No directors' remuneration or expenses were paid for the services of any person as a director

No funds have been used to purchase indemnity insurance for the directors, the charity or the auditors

No employee received emoluments of more than £60,000 (2006 £Nil)

Number of employees

The average number of employees during the year was

2007	2006
Number	Number
15	25
<hr/>	<hr/>

6 Surplus/(Deficit) for the year

The surplus/(deficit) is stated after charging -

	2007	2006
	£	£
Depreciation of tangible fixed assets	13,606	21,351
Auditors' remuneration	3,610	2,451
	<hr/>	<hr/>

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

7 Pension Scheme

Newcastle upon Tyne YMCA participates in a contributory pension plan providing defined benefits based on final pensionable pay for both employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Newcastle upon Tyne YMCA and at the year end these were invested in pooled funds operated by Northern Trust, Legal and 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 project unit method.

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 March 2007 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 Newcastle upon Tyne YMCA for the purposes of FRS17 disclosure.

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 benefits accruals. After consultation with members and participating YMCA employers, the Trustee of the YMCA Pension Plan informed Newcastle upon Tyne YMCA 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 had a deficit of 22 million. Newcastle upon Tyne YMCA has been advised that it will need to make monthly contributions of £1,860 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, Newcastle upon Tyne 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 Newcastle upon Tyne YMCA may be called upon to pay in the future.

Pension contributions payable for the year ended 31 March 2007 amounted to £46,870 (2006: £37,466).

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

8 Tangible fixed assets

	<u>Freehold Properties</u> £	<u>Motor Vehicles</u> £	<u>Fixtures Fittings & Equipment</u> £	<u>Leasehold Improvements</u> £	<u>Total</u> £
Cost or valuation					
At 1 April 2006	3,601,948	15,401	77,146	64,251	3,758,746
Additions	-	-	1,925	-	1,925
Disposals	-	-	-	(62,208)	(62,208)
Reclassification	(3,250,000)	-	-	-	(3,250,000)
At 31 March 2007	351,948	15,401	79,071	2,043	448,463
Depreciation					
At 1 April 2006	253,919	10,528	57,959	20,211	342,617
Disposals	-	-	-	(18,663)	(18,663)
Charge for year	7,039	1,218	5,278	71	13,606
Reclassification	(234,200)	-	-	-	(234,200)
At 31 March 2007	26,758	11,746	63,237	1,619	103,360
Net book value					
At 31 March 2007	325,190	3,655	15,834	424	345,103
At 31 March 2006	332,229	4,873	19,187	44,040	400,329
As restated					

The freehold properties were re-valued on 31 March 2006 by Sanderson Wetherall Chartered Surveyors and Property Consultants. All of the valuations were based on the current open market freehold value of the premises in their existing condition.

The historic cost of freehold properties are as follows

<u>Freehold Property</u>	<u>Cost or Valuation</u> £	<u>Net book value</u> £
Head Office	231,948	222,670
Direct charitable use	120,000	102,520
	351,948	325,190

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

9	Investments	<u>2007</u> £	As restated <u>2006</u> £
	Quoted investments		
	Balance at 1 April 2006	253,470	305,799
	Additions at cost	23,311	-
	Disposals at market value	(25,687)	(74,793)
	Interest on cash deposits	9	36
	Cash Deposit	689	-
	Net unrealised investment gain	3,054	22,428
		<hr/>	<hr/>
	Balance at 31 March 2007	254,846	253,470
		<hr/>	<hr/>
	The investments are made up of the following portfolios as at 31 March 2007 -		
	Narrow range total portfolio	<u>2007</u> £	<u>2006</u> £
	Eurobonds	55,011	57,511
		<hr/>	<hr/>
	Wide range total portfolio	<u>2007</u> £	<u>2006</u> £
	Permanent Interest Bearing Shares	58,064	61,188
	United Kingdom Unit Trusts	123,586	116,599
	Eurobonds	17,451	18,136
	Cash	734	36
		<hr/>	<hr/>
		199,835	195,959
		<hr/>	<hr/>
	Investment Properties	<u>2007</u> Cost or Valuation £	<u>2006</u> Cost or Valuation £
	Wynne Jones Building	3,100,000	1,950,000
	Ovingham Gardens	150,000	10,000
	Revaluation of investment properties	-	1,290,000
	Depreciation charged before revaluation	(234,200)	(234,200)
	Book Value	<hr/> 3,015,800	<hr/> 3,015,800

The investment properties were re-valued on 31 March 2006 by Sanderson Wetherall Chartered Surveyors and Property Consultants. The valuation was based on the current open market freehold value of the premises in their existing condition.

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

10	Debtors	<u>2007</u> £	<u>2006</u> £
	Accounts and other debtors	25,121	16,722
	Staff loans	-	303
		<hr/>	<hr/>
		25,121	17,025
		<hr/>	<hr/>

Included in staff loans are amounts due after more than one year of £Nil (2006 £288)

11 Creditors: amounts falling due within one year

	<u>2007</u> £	<u>2006</u> £
Accruals and other creditors	7,092	8,515
Deferred income	121,942	204,428
	<hr/>	<hr/>
	129,034	212,943
	<hr/>	<hr/>

Deferred income is split as follows

At 1 April 2006	204,428
Amounts released from opening balance	(204,428)
Additions to deferred income	121,942
	<hr/>
At 31 March 2007	121,942
	<hr/>

Newcastle upon Tyne YMCA
(Limited by guarantee and not having a share capital)
Notes to the Financial Statements
For the year ended 31 March 2007

12 Funds

Grants and donations are received towards the projects operated by Newcastle upon Tyne YMCA. These are the Youth Work Initiative Project (previously known individually as the Byker Walker and Blakelaw Projects), The Positive Futures Project, Steps Forward Project, Parenting Route Project, Student Project and Sports, Health and Fitness project. These funds are disclosed as being restricted.

Two designated funds exist within the Newcastle upon Tyne YMCA. The capital fund relates to the investment properties at Ellison Place and Ovingham Gardens. This is on the basis that the properties are subject to a long term lease and it is unlikely that the YMCA could dispose of the assets. The contingency fund represents the level of resources necessary to ensure the Association can sustain its current detached youth work operations for a period of 12 months, and meet its obligations to staff, should employment need to be terminated. The current fund represents approximately 8 months of running costs and further transfers will be made to this fund as and when future surpluses arise.

Movements on restricted funds are summarised below -

Restricted funds

	<u>Balance</u>	<u>Movement in funds</u>		<u>Transfer from</u>	<u>Balance</u>
	<u>2006</u>	<u>Incoming</u>	<u>Outgoing</u>	<u>Unrestricted Funds</u>	<u>2007</u>
	£	£	£	£	£
Youth Work Initiative	-	54,303	(206,136)	151,833	-
Positive Futures	-	75,091	(75,091)	-	-
Steps Forward Project	-	99,726	(104,023)	4,297	-
Parenting Route Project	-	64,035	(64,035)	-	-
Student Project	-	4,300	(7,564)	3,264	-
Sports, Health & Fitness Project	-	-	(3,291)	3,291	-
	<u>-</u>	<u>297,455</u>	<u>(460,140)</u>	<u>162,685</u>	<u>-</u>

13 Financial Commitments

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows

	<u>Land & Buildings</u>	
	<u>2007</u>	<u>2006</u>
	£	£
In over 5 years	Nil	2,000

Lease relinquished in November 2006 – no payment due in further years

14 Related Party Transactions

There were no related party transactions during the year

15 Control

The ultimate controlling party is the board of trustees