

YMCA North Staffordshire Ltd.
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 March 2019



Company Registration No: 04804681
Registered Charity No: 1100749
RP No: H4426

YMCA North Staffordshire Ltd.

CONTENTS

TRUSTEES, DIRECTORS AND ADVISORS	1
REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)	2
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	8
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA NORTH STAFFORDSHIRE LTD.	9
STATEMENT OF COMPREHENSIVE INCOME	11
STATEMENT OF FINANCIAL POSITION	12
STATEMENT OF CHANGES IN RESERVES	13
STATEMENT OF CASH FLOWS	14
ACCOUNTING POLICIES	15
NOTES TO THE FINANCIAL STATEMENTS	20

YMCA North Staffordshire Ltd.

TRUSTEES, DIRECTORS AND ADVISORS

PRESIDENT

Bishop of Stafford (non voting)

BOARD OF DIRECTORS

GC Handforth – Chair Person

MJ Toohey – Vice Chair

B Sumner – Treasurer

L Tindale

A Robinson

Rev SA Smith

PJ Franklin

PA Dartford

PA Williams

H Chadwick

Dr SW Williams

J Sawyers

CHIEF EXECUTIVE AND COMPANY SECRETARY

D Flynn

REGISTERED OFFICE

Edinburgh House

Harding Road

Hanley

Stoke-on-Trent

Staffordshire

ST1 3AE

AUDITORS

RSM UK Audit LLP

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

BANKERS

National Westminster Bank Plc.

1 Upper Market Square

Hanley

Stoke-on-Trent

Staffordshire

ST1 1NS

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

Our vision

YMCA's vision in England and Wales is of an inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

Our Mission

We develop young people, they develop their world.

Principal Activities

The principal activities of YMCA North Staffordshire are to provide housing, support, training, recreation and sports activities for young people, their families and their communities.

What we do

We develop life chances and new futures for young people, their families and communities. This comes in the form of a wide range of services.

We provide specialist housing on our young people's campus including purpose built move on accommodation and housing in the community for young workers. The campus offers young people a high standard of accommodation in a safe supportive environment with staff who offer development opportunities in areas of education, employment and well-being advice together with a wide range of creative and recreational activities to inspire and motivate.

We provide effective training programmes for young people and their families to assist them to gain confidence, acquire skills and development via volunteering and support them to gain and sustain paid employment.

We provide a range of family services where our team help to re-build and maintain family relationships in area such as parenting skills, conflict resolution, work with separated parents and their children.

We provide an onsite sports and recreation centre including a gym, sports hall, outdoor football pitch and offer a range of programmes for young people, community sports clubs, schools and our local community.

We provide a roof top conference centre and other meeting rooms that can be hired by local community groups and businesses for meetings and conferences and offer in house catering if required.

We provide a place for our community to gather and actively support other local charities, community groups and other stakeholders by sharing our space, experience and expertise where it is of use.

We provide an experienced staff team to deliver the National Citizenship service to young people.

We play an active role in our community working with them to provide opportunities.

Our values

YMCANS Values are

- Trust
- Hope
- Persevere
- Protect

These values are our bedrock and help us create the resilience to develop young people into thriving lives.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

DIRECTORS

The directors who have held office since 1 April 2018 are as follows:

GC Handforth
MJ Toohey
B Sumner
NG Prophett resigned 14.09.18
L Tindale
S Poulter resigned 27.09.18
A Robinson
Rev SA Smith
Rev DL McIndoe resigned 06.09.19
PJ Franklin
PA Dartford
PA Williams
DR S Wynn-Jones
H, Chadwick
Jane Sawyers appointed 25.03.19

ORGANISATIONAL STRUCTURE

YMCA North Staffs is a Registered Social Landlord (Reg No: H4426); a registered charity (Reg No: 1100749) and a company limited by guarantee (Reg No: 04804681). The YMCA board of management meets bi-monthly with a full business agenda. The board oversees the strategic development and operational performance of the organisation.

Appointment and recruitment of directors

Potential candidates for directors are interviewed by the Chair and the Chief Executive. This is a three-stage process:

2. A discussion around the organisation's vision and mission and to explain the charitable objects, company articles, business plan and direction of the organisation. To check on the potential members skills set and experience;
3. If the Chair and the potential director agree that they would be suitable, the individual is introduced to the board of directors who then collectively decide whether to offer Board Membership;
4. If the full board agrees the proposed director comes to a full board meeting and after discussion a vote will take place.

Directors' induction and training

Once appointed each Board Member is allocated to one of the strategic groups that oversee the running of the organisation, membership of these groups allows the board member to specialise in their area of expertise and/or interest.

The Current Groups are:

Finance & Risk

H.R.

Campus Development

Performance Standards (Including Health & Safety & Safeguarding)

Christian & Spiritual Development

Business Development

Capital Development

Connectivity & Communications

Membership of the groups include one or two board members plus senior and operational staff.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

In addition, the Chair of the Board & CEO will identify areas of training and development and ensure that this is delivered. Regular events take place at least annually where the Board reflects on the Values of the YMCA and the work that we do to ensure that they are aligned.

Public benefit

The YMCA aims to serve young people, their families and the community, we continue to provide housing for some of the most marginalised young people in our area and have improved our offer with the new flats that provides a better standard of accommodation and facilities for young families for the first time. We are growing our property portfolio to help low waged young people afford community based accommodation and maintain their employment.

Our activity centre is being enjoyed by members of the community for sports and family fun days and our family contact centre continues to serve young children providing a safe space for them to play and talk to trained counsellors.

Our training and employment service assists people lacking in skills and confidence to become ready to manage work opportunities and move towards economic independence.

Our Café area has been refurbished, we aim to build upon our successful monthly community meal and offer more events and opportunities on the campus.

Value for money

In the current economic environment, it is important to ensure that the YMCA maximises the value from its expenditure. The Board considers value for money as part of its strategic approach when allocating resources, but not at the expense of providing quality of service, all new proposals and major items of expenditure are scrutinised by both the business development and finance and risk board working groups prior to approval.

Risk management

YMCA North Staffordshire works with people who have been disadvantaged through limited life chances. As we describe ourselves as a life chances agency it is appropriate to take risks with our charity's resources to make opportunities available to those people in order for them to reach their potential and thrive. We are therefore happy to take a risk with creating life chances.

We will not however, take any risks relating to the protection of young people and vulnerable adults. Full vetting procedures will always be followed for all staff and volunteers and disciplinary action follows when breaches occur. A similar policy is adopted in relation to fraud and corruption.

The Charity is fortunate to hold assets in the form of property and investments and revenues generated from our activities. We will take some risk to achieve good returns but will not put at risk the capital value of our assets and will always seek to balance the risk of any loss against the expected return.

The board delegates the detailed review of Risk Management to the Finance and Risk Management Working Group which consists of the Vice Chair, Treasurer, plus at least one other board member/ advisor together with the Deputy Chief Executive and Finance Director. This group meets bi-monthly to review all issues both internal and external that might have an adverse effect on the organisation fulfilling its objectives. The full board receives a written report from this group after every meeting.

Director's indemnity insurance

The YMCA has Directors Indemnity Insurance of up to £1m.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

FUTURE PLANS

Our current Business Plan ends in 2020 and during the year we will be working on the next phase of our development from 2020-2023 which will continue our progress towards becoming a charitable business that is able to fund more of its operations, developments and commitments by generating a greater percentage of its own income. We will deliver products and services to a wider range of young people, their families and the local community. The financial, social and relational impact of those products and services will be measurable.

We will ensure that most of our products and services are scalable and profitable. Where this is not possible we will clearly understand those activities to be loss leaders, research and development or campaigning activities. Ultimately a greater focus on profitability will ensure sustainability and a stronger position from which to fund our charitable objectives.

In 2019 -20 we intend to:

- Further increase the size of our affordable community housing scheme
- Commence the programme to develop a further 46 units of move on accommodation at our campus
- Renew the equipment in our Community Sports Centre Gym
- Review our community youth activities in the final year of their lottery funding for projects that we can operate sustainably moving forward
- Produce our first social impact report with a view to developing this across the organisation
- Change the activity in our Social Enterprise Convenience Store.

KEY MANAGEMENT REMUNERATION

The remuneration policy is decided by the Board by means of a triennial formal review based on national YMCA guidance. The Human Resources working group undertakes the review, which is presented to the board for formal approval. Implementation is subject to affordability.

ACHIEVEMENTS AND PERFORMANCE

Last year we set out the following Future Plans for 2018-19

- *Increase the size of our affordable housing scheme for young people in work. This will include flexible Finance facility with Unity Trust Bank that will provide a facility secured on our existing community Properties purchased from reserves*

During the year we added a further 10 properties, this was partially financed by a loan facility from Unity Trust Bank of £453,600

- *Extend our community youth activities into the central part of Stoke-on-Trent in addition to the north*

The YMCA Go Project is now working in the central area of the City as planned

- *Develop a more effective performance management reporting system*

During the year we have established a set of performance levers that are reported to the board at each bi monthly meeting

- *Increase the work of our Family Services Team*

The Family team now provides services in the Stafford area.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

OPERATIONAL REVIEW OF THE YEAR (including balance sheet review)

The year to March 2019 has been a positive one. The Charity has made a financial surplus of £265,053 and increased its activities and the opportunities available to young people.

Our Supported Housing Continues to be in great demand and we are assisting people to live in the community with our affordable rented housing

Our non –housing work continues to develop with increase in the numbers of people receiving our services across a range of projects.

We have been able to offer young people opportunities that they would not otherwise have during the year.

We continue to look for ways to increase the role of the charity within the local community offering our monthly community meals and activity days and staff continue to serve in positions to support the development of the community and other charitable organisations.

We are working to improve areas our community sports centre with a new business plan and a decision to fund new equipment for the gym area and offer more classes and personal training sessions.

We have decided to change the use of the Spar convenience store due the poor financial performance, these changes will form part of our plan for 2019-20.

FUNDS AND RESERVES

YMCA North Staffs has funds available to finance its activities. These are unrestricted funds expendable at the discretion of the board in furtherance of the charity's objects. Such funds may be designated by the board for a project or purpose.

The board recognises the need to establish a level of general reserves that enables financial stability, is adequate to meet the requirements of working capital and acts as a cushion against fluctuations in income levels and in the financial performance of the YMCA's activities. Such reserves are built up from operating surpluses. The Board is conscious of the changes in supported housing currently being considered by government and will seek to ensure that adequate reserves are in place to enable the charity to manage the consequences of any significant changes to housing income.

Our reserves are also needed to manage our ongoing maintenance commitments following our major refurbishment. We had a major development programme between 2008 and 2013 which will need increasing maintenance and major repairs and the board feels that it is prudent to designate a sum to ensure that any future costs can be met. We commissioned a long term maintenance plan during the year which predicts the cost of future planned and major repairs. Last year we set up a designated reserve to meet this cost, we have started to use this reserve spending £31k during the year and have increased the provision by £85k.

Reserves are also deployed to extend our charitable activities, during 2018-19 £241k has been invested in Capital Expenditure Projects.

We are committed to develop opportunities for young people and build links with the local community, during the year £69k was invested to this project from reserves.

YMCA North Staffordshire Ltd.

REPORT OF THE BOARD OF MANAGEMENT (INCLUDING STRATEGIC REPORT)

The board's policy is that free reserves should be sufficient to manage the predominant risks to the organisation and its working capital requirements, currently these risks would include the costs of redundancy payments due to any loss of contract income because of the economic situation and changes to government policy Supported Housing is currently under review and the board recognises that this may

result in material change to our operating model. There is an on-going pension deficit liability to manage which is expected to increase. Our new business plan recognises the need for more commercial skills and greater data evidence to measure and demonstrate our impact and reserves will be allocated to fund these changes. Regulation of our sector continues to grow and resources need to be allocated to ensure that the charity has the capacity to meet these obligations. The level of free reserves at 31 March 2019 was £2,075,807 this is considered adequate by the board for current short-term needs and to support the capital development and maintenance programme, investment in new products and services, the management of risks to revenue funds and capacity building.

PRINCIPAL RISKS AND UNCERTAINTIES

The primary risk that we face remains changes in government policy that might impact upon contract funding and especially supported housing. The current focus on Brexit has resulted in less change taking place in supported housing legislation, however austerity measures are still impacting local authority funding. The Board keeps all issues factoring the sector that the charity operates in under review in order to assess potential impact on the charity.

We continue to strive for ways to generate a greater proportion of our income and consider the growth and development of affordable housing as a key strategy.

Other ongoing risks are always in the areas of safeguarding and health and safety and these are under constant management and review by the Board.

STATEMENT OF DISCLOSURE TO THE AUDITOR

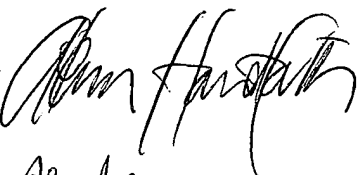
So far as the trustees and directors are aware, there is no relevant information of which the company's auditor is unaware. Additionally, the trustees and directors have taken all the necessary steps that they ought to have taken as trustees and directors to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP was appointed by the company. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore RSM UK Audit LLP will continue in office.

By order of the Board

Director



23 September 2019

Director



23.09. 2019

YMCA North Staffordshire Ltd.

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors (who are also trustees of the charity) are responsible for preparing The Report of the Board of Management and the financial statements in accordance with applicable law and regulations.

Company law and housing association legislation requires the directors to prepare financial statements for each financial year. Under those laws the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors and trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing 2015. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA NORTH STAFFORDSHIRE LTD.

Opinion

We have audited the financial statements of YMCA North Staffordshire Ltd. (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Annual Report and the Strategic Report of the board of management for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA NORTH STAFFORDSHIRE LTD. (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2014 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

RSM UK Audit LLP

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

8.10.2019

YMCA North Staffordshire Ltd.
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

	Note	2019 £	2018 £
TURNOVER	2	4,935,562	4,101,478
Operating expenditure	2	(4,667,722)	(3,801,183)
		<u> </u>	<u> </u>
OPERATING SURPLUS	6	267,840	300,295
Interest receivable	4	1,087	773
Interest and financing costs	5	(3,874)	(4,725)
		<u> </u>	<u> </u>
SURPLUS BEFORE AND AFTER TAX		265,053	296,343
		<u> </u>	<u> </u>
SURPLUS FOR THE YEAR		265,053	296,343
		<u> </u>	<u> </u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		265,053	296,343
		<u> </u>	<u> </u>

The company results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

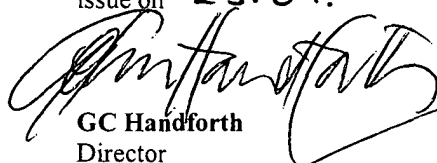
YMCA North Staffordshire Ltd.

STATEMENT OF FINANCIAL POSITION

at 31 March 2019

	Notes	2019	2018
		£	£
FIXED ASSETS			
Housing properties	10	12,374,210	12,067,790
Other fixed assets	10a	345,574	217,952
Investment in subsidiaries	11	-	-
		<u>12,719,784</u>	<u>12,285,742</u>
CURRENT ASSETS			
Stock	12	1,843	1,843
Trade and other debtors	13	253,068	325,989
Cash and cash equivalents		996,123	1,004,016
		<u>1,251,034</u>	<u>1,331,848</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	14	(715,978)	(993,802)
		<u>535,056</u>	<u>338,046</u>
NET CURRENT ASSETS			
		<u>13,254,840</u>	<u>12,623,788</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: Amounts falling due after more than one year	15	(10,262,926)	(9,765,433)
Provisions for liabilities			
Pension provision	18	(116,436)	(129,147)
		<u>2,875,478</u>	<u>2,729,208</u>
TOTAL NET ASSETS			
		<u>2,875,478</u>	<u>2,729,208</u>
RESERVES			
Income and expenditure reserve	19	2,075,808	1,895,755
Designated reserve	19	660,029	613,084
Restricted reserve	19	139,641	220,369
		<u>2,875,478</u>	<u>2,729,208</u>
TOTAL RESERVES			
		<u>2,875,478</u>	<u>2,729,208</u>

The financial statements on pages 11 to 32 were approved by the board of directors and authorised for issue on 23.09.2019 and are signed on its behalf by:


GC Handforth
Director


B Sumner
Director

Company Registration No: 04804681

YMCA North Staffordshire Ltd.
STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2019

	Income and expenditure reserve £	Designated reserve £	Restricted reserve £	Total £
Balance at 1 April 2017	2,232,385	133,084	25,578	2,391,047
Surplus for the year	296,343	-	-	296,343
Transfer from statement of comprehensive income to restricted reserves	(116,080)	-	177,898	61,818
Transfer from statement of comprehensive income to designated reserves	(516,893)	480,000	16,893	(20,000)
Balance as at 31 March 2018	1,895,755	613,084	220,369	2,729,208
Surplus for the year	265,053	-	-	265,053
Transfer from statement of comprehensive income to restricted reserves	-	-	(80,728)	(80,728)
Transfer from statement of comprehensive income to designated reserves	(85,000)	46,945	-	(38,055)
Balance at 31 March 2019	2,075,808	660,029	139,641	2,875,478

YMCA North Staffordshire Ltd.

STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

	Note	2019 £	2018 £
OPERATING ACTIVITIES			
Net cash generated from operations	20	124,828	755,674
Interest paid	5	-	(480)
NET CASH GENERATED FROM OPERATING ACTIVITIES		124,828	755,194
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets	10-10a	(926,071)	(649,762)
Proceeds on disposal of tangible fixed assets	10a	-	6,481
Grants received	16	335,680	79,604
Interest received	4	1,087	773
NET CASH FROM INVESTING ACTIVITIES		(589,304)	(562,904)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of new borrowings		456,583	-
NET CASH USED IN FINANCIAL ACTIVITIES		456,583	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,893)	192,290
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,004,016	811,726
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	996,123	1,004,016

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

LEGAL STATUS

YMCA North Staffordshire Ltd. is a company limited by guarantee and is an English registered social housing provider, charity and public benefit entity.

The address of the company's registered office and principal place of business is Edinburgh House, Harding Road, Hanley, Stoke-on-Trent, Staffordshire, ST1 3AE.

The company's principal activities and nature of the company's operations are included in The Report of the Board of Management.

The company has not prepared consolidated accounts on the basis of materiality of its subsidiary under Section 402 of the Companies Act 2006. Further details of its subsidiary are described in note 11.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102"), the Housing SORP 2014 "Statement of Recommended Practice for Registered Housing Providers" and to comply with the Accounting Direction for Private Registered Providers of Social Housing 2015, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

The directors believe there are adequate resources which will enable the company to meet its liabilities for at least one year from the date the financial statements are signed. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

TURNOVER AND REVENUE RECOGNITION

Turnover comprises rental and service charge income receivable in the period, and revenue grants receivable in the period from local authorities and the Homes England. Turnover is recognised net of VAT, where applicable.

All rental income is recognised in the period it which is has been earned, this includes actual receipts and also estimates of income receivable for training income that is reconciled at the end of the academic year.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

SERVICE CHARGES

Service charges are made to tenants weekly, the eligible portion predominantly being paid through Housing Benefit and the ineligible charges being collected directly from the tenant.

OTHER INCOME

Interest income

Interest income is accrued on a time-apportioned basis and credited to the income and expenditure account in the period.

APPORTIONMENT OF EXPENSES

Administration and operating costs have been apportioned to the housing and non-housing activities on the basis of costs directly related to the activities dealt with in these financial statements.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

Housing properties are properties for the provision of social housing and are principally properties available for rent. Completed housing is stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Major refurbishment of existing housing is charged to capital and depreciated over the unexpired life of the asset. Major repairs are charged against revenue and an equivalent release from the major repairs reserve is completed. Planned maintenance, minor repairs and redecoration are charged to expenditure in the year that they occur.

On disposal of housing property, an application is made to the Homes and Communities Agency ('Homes England') for consent. Any outstanding Social Housing Grant (SHG) is recycled in accordance with the Homes England regulations.

DONATED LAND AND OTHER ASSETS

Land or other assets which have been donated by a government source is added to cost of assets at the fair value of the land at the time of the donation. The difference between the fair value of the asset donated and the consideration paid is treated as a non-monetary government grant and included within the Statement of Financial Position as a liability. The terms of the donation are considered to be performance related conditions. Where the donation is not from a public source, the value of the donations less the consideration is included in income.

GOVERNMENT GRANTS

Government grants include grants receivable from the Homes and Communities Agency ("Homes England"), local authorities and other government bodies.

Government grants are utilised to reduce the capital costs of the housing properties, including land costs. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from the Homes England or received in advance is included as current assets or liability. SHG received in respect of revenue expenditure is accounted for in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the Homes England. SHG released on the sale of a property is normally available to be recycled.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset, even if the fair value of the grant exceeds the carrying value of the structure in the financial statements.

OTHER GRANTS

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

DEPRECIATION OF HOUSING PROPERTIES

Freehold land is not depreciated.

The company separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Housing structure	-	50 years straight line
Roofs	-	30 years straight line
Lifts	-	20 years straight line
Kitchens	-	20 years straight line
Windows and external doors	-	25 years straight line
Central heating and air con systems	-	25 years straight line
Internal walls and doors	-	20 years straight line
Finishes	-	15 years straight line
Furniture and fittings	-	15 years straight line
Bathroom and appliances	-	10-15 years straight line

Depreciation is charged on assets in the first full year of use.

OTHER TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value over its expected useful life, as follows:

3G Pitch, Fixtures, furnishings and office equipment	-	3 to 10 years straight line
Car park	-	50 years straight line
Motor vehicles	-	33% reducing balance on a monthly basis

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

FIXED ASSET INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

STOCKS

Stocks represent raw materials and consumables, and are valued at the lower of cost and net realisable value.

TAXATION

YMCA North Staffordshire Ltd. has charitable status and is registered with the Charities Commission and is therefore exempt from paying Corporation Tax on charitable activities.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

VALUE ADDED TAX

The company is registered for value added tax. A proportion of its income is exempt from VAT. The expenditure relating to this income is subject to VAT which cannot be reclaimed; this expenditure is therefore shown inclusive of VAT.

Partial exemption has been applied to management expenditure. Each quarter input tax recovery is limited to the percentage of total income that is business income. VAT recovered through partial exemption rules is credited to the income and expenditure account.

The balances of VAT payable and recoverable at the year end are included as a current asset or liability.

LEASES

The company as lessee – operating leases

All leases are operating leases and the annual rentals are charged to income and expenditure on a straight line basis over the lease term.

RETIREMENT BENEFITS

YMCA North Staffordshire Ltd. participated in a multi-employer defined benefit pension plan for employees of YMCA's in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA North Staffordshire Ltd.

As described in note 22, YMCA North Staffordshire Ltd. has a contractual obligation to make pension deficit payments of £16,589 per annum over the period to April 2027; accordingly this is shown as a liability in note 18 of these financial statements.

In addition YMCA North Staffordshire Ltd. is required to contribute £2,319 per annum to the operating expenses of the pension plan and these costs are charged to the Statement of Comprehensive Income as made.

The company also participates in a stakeholder pension scheme where the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

YMCA North Staffordshire Ltd.

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROVISIONS

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Provisions relate to an agreement by YMCA North Staffordshire Ltd. to contribute to a historic funding deficit of YMCA England's pension scheme over a period of time.

RESERVES

Income and expenditure reserve

The company's policy is to maintain a prudent level of reserves to insure against future liabilities.

Reserves are also used for activities to assist the association to achieve its strategic purpose of helping people recover a sense of self-worth and live in cohesive communities.

In particular, reserves will be used to ensure that development and maintenance are to the highest standard to provide housing quality that demonstrates how highly the company values its customers.

The directors continually assess the needs of customers and provide a range of short and long term housing and support services that are innovative, continually improving our capabilities, people and performance.

Designated Reserve

Funds are designated by the company for particular purposes (see note 19).

Restricted Reserve

The Company has a restricted reserve which is held under the terms of a contract with a funder and can only be applied to revenue with their authority. Reserves that are shown as restricted have conditions as to their usage attached and are therefore not available as a surplus reserve.

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The YMCA is still operating in a changing environment due to continued changes in social policy. In making our assumptions for income and expenditure the board monitors the external environment carefully, we work closely with both the local authority and YMCA England Policy Team when making our financial assumptions. The current projections are based upon the latest information that we have and all forecasts are reviewed on a quarterly basis and updated for potential changes.

The rate used to discount benefit obligations to their present value is based upon market yields for high quality corporate bonds with terms consistent with those of the benefit obligations. Our commitment to the YMCA Pension Plan of £132,697 (2018: £149,284) for the next 10 years has been discounted at a rate of 3% amounting to a net present value of £116,436 at 31 March 2019 (2018: £129,147).

Critical areas of judgement

In the opinion of the board of directors, the only critical area of material judgement in the preparation of the financial statements was the immateriality of the subsidiary company that has not been consolidated on this basis.

2 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2019			2018		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£	£	£	£	£	£
Income and expenditure from social housing lettings	2,537,112	(2,091,042)	446,070	2,018,654	(1,775,856)	242,798
Non-Social Housing Activities	2,398,450	(2,576,680)	(178,230)	2,082,824	(2,025,327)	57,497
	<u>4,935,562</u>	<u>(4,667,722)</u>	<u>267,840</u>	<u>4,101,478</u>	<u>(3,801,183)</u>	<u>300,295</u>

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

2 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS (continued)

Particulars of income and expenditure from social housing lettings	2019 £	2018 £
TURNOVER FROM SOCIAL HOUSING LETTINGS		
Rents receivable net of voids	2,025,778	1,697,546
Service charges receivable	97,723	48,591
	<u> </u>	<u> </u>
NET RENTAL INCOME	2,123,501	1,746,137
Supporting people grant receivable	411,034	270,236
Other income	2,577	2,281
	<u> </u>	<u> </u>
TURNOVER FROM SOCIAL HOUSING LETTINGS	2,537,112	2,018,654
	<u> </u>	<u> </u>
EXPENDITURE ON SOCIAL HOUSING LETTINGS		
Direct property management costs	1,379,986	1,221,000
Administrative costs	673,438	508,974
Bad debts	32,715	43,601
Loan interest	4,903	2,281
	<u> </u>	<u> </u>
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	(2,091,042)	(1,775,856)
	<u> </u>	<u> </u>
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	446,070	242,798
	<u> </u>	<u> </u>
 Rent losses due to voids	 155,624	 150,412
	<u> </u>	<u> </u>

3 ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

	2019 units	2018 units
General needs housing		
- Affordable rent	25	15
Supported housing	118	118
	<u> </u>	<u> </u>
TOTAL UNITS IN MANAGEMENT	143	133
	<u> </u>	<u> </u>

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

4	INTEREST RECEIVABLE	2019	2018
		£	£
	Interest on bank deposits	1,087	773
		<u> </u>	<u> </u>
5	INTEREST AND FINANCING COSTS	2019	2018
		£	£
	Interest arising on:		
	Bank loans and overdrafts	-	480
	Unwinding of discount on pension provision	3,874	4,245
		<u> </u>	<u> </u>
		3,874	4,725
		<u> </u>	<u> </u>
6	OPERATING SURPLUS	2019	2018
		£	£
	Operating surplus is stated after charging:		
	Depreciation of housing properties	403,075	384,773
	Depreciation of other tangible fixed assets – owned	88,954	45,870
	Operating lease rentals:		
	Other	560	1,353
	Auditor's remuneration – audit	11,500	11,000
		<u> </u>	<u> </u>

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

7	EMPLOYEES	2019	2018
		Number	Number
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Office and management	20	20
	Housing support and care	85	86
	Development	54	48
		<u>159</u>	<u>154</u>
		<u><u>159</u></u>	<u><u>154</u></u>
	Staff costs for the above persons:	2019	2018
		£	£
	Wages and salaries	2,634,807	2,269,858
	Social security costs	188,154	171,946
	Other pension costs	69,313	50,975
		<u>2,892,274</u>	<u>2,492,779</u>
		<u><u>2,892,274</u></u>	<u><u>2,492,779</u></u>
	The full time equivalent number of staff who received remuneration (excluding directors):	2019	2018
		Number	Number
	£60,001 - £70,000	1	1
		<u>1</u>	<u>1</u>
		<u><u>1</u></u>	<u><u>1</u></u>
8	BOARD MEMBERS AND EXECUTIVE DIRECTORS		
	In respect of the directors of YMCA North Staffordshire Ltd.:		
	EXECUTIVE DIRECTORS	2019	2018
		£	£
	Remuneration and fees	66,389	62,222
	Company contributions to money purchase pension schemes	12,523	11,645
		<u>78,912</u>	<u>73,867</u>
		<u><u>78,912</u></u>	<u><u>73,867</u></u>
	Executive directors include the chief executive and any other person who is deemed key management personnel.		
	The total remuneration of the key management personnel of the Company was £86,910 (2018: £81,326).		

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

9 TAXATION

The company is a registered charity and therefore it is exempt from corporation tax on income and gains falling within chapter 3 Part 11 of the Corporation Taxes Act 2010 or S256 Taxation of Chargeable Gains Act 1992 (TCGA 1992) to the extent that these are applied to its charitable objects.

10 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES	Social housing properties held for letting	Other property	Total
	£	£	£
COST			
1 April 2018	9,250,255	6,040,831	15,291,086
Additions	684,535	24,960	709,495
31 March 2019	9,934,790	6,065,791	16,000,581
DEPRECIATION			
1 April 2018	2,365,243	858,053	3,223,296
Depreciation charged in year	256,794	146,281	403,075
31 March 2019	2,622,037	1,004,334	3,626,371
CARRYING AMOUNT			
31 March 2019	7,312,753	5,061,457	12,374,210
31 March 2018	6,885,012	5,182,778	12,067,790
EXPENDITURE ON WORKS TO EXISTING PROPERTIES		2019	2018
		£	£
Improvement work capitalised		709,495	511,384
EXPENDITURE ON WORKS TO EXISTING PROPERTIES		2019	2018
		£	£
Total cumulative amounts received or receivable at 31 March:			
Capital grant		13,220,610	12,884,930

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

10a TANGIBLE FIXED ASSETS – OTHER

	3G Pitch, fixtures, furnishings and office equipment £	Car park £	Motor vehicles £	Total £
COST				
1 April 2018	997,533	12,383	85,346	1,095,262
Additions	203,081	-	13,495	216,576
	<u>1,200,614</u>	<u>12,383</u>	<u>98,841</u>	<u>1,311,838</u>
31 March 2019				
DEPRECIATION				
1 April 2018	835,979	3,127	38,204	877,310
Depreciation charged in year	72,408	248	16,298	88,954
	<u>908,387</u>	<u>3,375</u>	<u>54,502</u>	<u>966,264</u>
31 March 2019				
CARRYING AMOUNT:				
31 March 2019	<u><u>292,227</u></u>	<u><u>9,008</u></u>	<u><u>44,339</u></u>	<u><u>345,574</u></u>
31 March 2018	<u><u>161,544</u></u>	<u><u>9,256</u></u>	<u><u>47,142</u></u>	<u><u>217,952</u></u>

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

11 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertaking £
COST	
1 April 2018 and 31 March 2019	50,100
	<hr/>
PROVISION FOR IMPAIRMENT	
1 April 2018 and 31 March 2019	50,100
	<hr/>
CARRYING AMOUNT	
31 March 2019	-
	<hr/>
31 March 2018	-
	<hr/>

The Company's subsidiary undertaking is:

<i>Name of undertaking</i>	<i>Nature of business</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held directly</i>
YMCA North Staffs Trading Ltd	Retail	Ordinary	100%

YMCA North Staffs Trading Ltd is not consolidated in these financial statements as its inclusion is not material to giving a true and fair view.

The registered office of the subsidiary undertaking is Edinburgh House, Harding Road, Hanley, Stoke-on-Trent, Staffordshire, ST1 3AE.

12 STOCK	2019	2018
	£	£
Raw materials and consumables	1,843	1,843
	<hr/>	<hr/>

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

13	DEBTORS	2019	2018
		£	£
	<i>Amounts falling due within one year:</i>		
	Rent and services receivable	125,726	108,188
	Provision for bad and doubtful debts on rents and services receivable	(601)	(746)
		<u>125,125</u>	<u>107,442</u>
	Other debtors	107,066	201,617
	Prepayments and accrued income	20,877	16,930
		<u>253,068</u>	<u>325,989</u>

During the year, an impairment loss of £62,895 (2017: £50,301) was recognised in respect of the group debtor.

14	CREDITORS: Amounts falling due within one year	2019	2018
		£	£
	Bank loans	2,983	-
	Deferred capital grants (see note 16)	278,574	265,834
	Trade creditors	36,058	42,469
	Other taxation and social security	56,531	60,163
	Other creditors	112,389	300,591
	Accruals and deferred income	229,443	324,745
		<u>715,978</u>	<u>993,802</u>

Health Zone – A grant of £40,090 (2018: £20,054) was received during the year to run health zone activities. At the end of the year £5,026 (2018: £nil) had not been spent and this has been reserved in a control account within accruals and deferred income in the financial statements. This will be spent on health zone activities in 2019-20.

15	CREDITORS: Amounts falling due after more than one year	2019	2018
		£	£
	Bank loan	453,600	-
	Deferred capital grants (see note 16)	9,809,326	9,765,433
		<u>10,262,926</u>	<u>9,765,483</u>

The bank loan agreement specifies that interest on the loan is charged at a rate of 2% per annum above the banks base rate. The base rate at 31 March 2019 is 0.5%.

The bank loan is secured by a fixed charge against the properties of the company.

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

16	DEFERRED CAPITAL GRANTS	2019 £	2018 £
	As at 1 April	10,031,267	10,217,402
	Grants received in the year	335,680	79,604
	Capital grants released	(279,047)	(265,739)
	As at 31 March	10,087,900	10,031,267

Included within capital grants is The Big Lottery Fund "My Place" grant which is secured by a legal mortgage charge over the freehold land on the north east side of Harding Road, Hanley, Stoke-on-Trent. Should the YMCA breach any of the grant conditions, the grant will be repayable at a rate equal to 4% per annum above the Lloyds TSB Bank plc. base rate.

17	FINANCIAL INSTRUMENTS	2019 £	2018 £
	Financial assets:		
	Debt instruments measured at amortised cost	232,192	309,059
	Financial liabilities:		
	Measured at amortised cost	834,473	667,805

18	PROVISION FOR LIABILITIES	Pension deficit £
	As at 1 April 2018	129,147
	Utilised in the year	(16,585)
	Unwinding of discount	3,874
	As at 31 March 2019	116,436

The YMCA England's Pension Plan provider represents the net present value of the commitment to the multi-employer pension scheme in respect of past deficits. There is an agreement by YMCA North Staffordshire Ltd. to contribute to an historic funding deficit of YMCA England's pension scheme over a period of time (see note 22).

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

19 SHARE CAPITAL AND RESERVES

SHARE CAPITAL

The Company is limited by guarantee and consequently has no share capital. Each of the company's members agrees to contribute £1 in the event of the company winding up.

RESERVES

Reserves of the company represent the following:

Income and expenditure reserve

The company's policy is to maintain a prudent level of reserves to insure against future liabilities.

Reserves are also used for activities to assist the association to achieve its strategic purpose of helping people recover a sense of self-worth and live in cohesive communities.

In particular, reserves will be used to ensure that development and maintenance are to the highest standard to provide housing quality that demonstrates how highly the company values its customers.

The directors continually assess the needs of customers and provide a range of short and long term housing and support services that are innovative, continually improving our capabilities, people and performance.

Designated reserves

Childtalk - to support the development of families and communities staying connected. The designated reserve figure of £19,834 (2018: £19,834) is money that was transferred to YMCA North Staffordshire Ltd. when Contact First joined YMCA North Staffordshire Ltd. The Board agreed that this money should be designated to support that area of work. It has been agreed that this money be used to assist the Family Services Department to make the transition caused by legislative changes in the commissioning of child contact assessment work.

The Green Apprentices Trust - this money was donated to the YMCA. The Board has designated this money to provide a source of funding for new ideas to improve services and to generate new ones.

Maintenance reserve - the YMCA had a major development programme between 2008 and 2013 which over time will result in increased costs for maintenance and major repairs. The board feels that it is important to highlight this and work to ensure that any future costs can be met. In 2019-20 the Charity will produce a long-term maintenance plan to predict as accurately as possible the cost of future planned and major repairs and guide our long-term maintenance programme. In preparation the Board has designated £500k to begin this process and will monitor the reserve annually.

Restricted reserves

Reserves that are shown as restricted, all have conditions as to their usage attached and therefore, are not available as a surplus reserve.

Big Lottery - it was a requirement of the Big Lottery Grant Fund to provide details of any amounts held within restricted reserves relating to the Fund. A grant of £229,591 (2018: £170,923) was received in the year. Against this grant expenditure of £187,408 (2018: £111,368) was incurred during the year.

A reserve of £139,641 (2018: £220,369) was held in restricted reserves at the end of the year.

YMCA North Staffordshire Ltd.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

20 RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

	2019 £	2018 £
Surplus for the year	265,053	296,343
Adjustments for:		
Depreciation of tangible fixed assets	492,029	430,643
Release of restricted and designated reserves	(118,783)	41,818
Defined benefit pension scheme	(16,589)	(16,589)
Capital grants released	(279,047)	(265,739)
Interest receivable	(1,087)	(773)
Interest payable	3,874	4,725
	<hr/>	<hr/>
Operating cash flow before movements in working capital	345,450	490,428
Increase in stock	-	(303)
Decrease in trade and other debtors	72,921	16,909
(Decrease)/increase in trade and other creditors	(293,543)	248,640
	<hr/>	<hr/>
Cash generated from operations	124,828	755,674
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS	2019	2018
	£	£
Cash and cash equivalents represent:-		
Cash at bank	996,123	1,004,016
	<hr/>	<hr/>

21 COMMITMENTS UNDER OPERATING LEASES

The company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for fixed assets are as follows:

	2019 £	Other 2018 £
Amounts due:		
Within one year	260	560
Between two and five years	163	423
	<hr/>	<hr/>
	423	983
	<hr/>	<hr/>

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

22 RETIREMENT BENEFITS

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

The most recent completed three year valuation was as at 1 May 2017. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 3.75% and 2.25% respectively, the increase in pensions in payment of 3.35%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.2 years, female 24.1 years, and 24.0 years for a male pensioner, female 26.0 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £141.2m. This represented 81% of the benefits that had accrued to members.

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA North Staffordshire Ltd. and accordingly the pension deficit is not shown on the balance sheet.

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

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £33.6 million. YMCA North Staffordshire Ltd. has been advised that it will need to make monthly contributions of £1,382 from 1 May 2019. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 18 years, commencing 1 May 2019.

	Repayable				After more than one year £	Total 2019 £	Total 2018 £
	Within one year £	One to two years £	Two to five years £	After five years £			
As at 31 March 2019	13,094	13,487	42,937	46,918	-	116,436	
As at 31 March 2018	12,713	13,094	41,686	61,654	116,434		129,147

YMCA North Staffordshire Ltd.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2019

22 RETIREMENT BENEFITS (continued)

In addition, YMCA North Staffordshire Ltd. 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 YMCA North Staffordshire Ltd. may be called upon to pay in the future.

The company also participates in a stakeholder pension scheme for other employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £69,313 (2018: £50,975). No contributions were payable to the fund at the year end.

23 RELATED PARTY TRANSACTIONS

YMCA North Staffs Trading Ltd, a subsidiary of the Association, received a loan from the Association during the year of £nil (2018: £8,000). Management took the decision to write off the full amount of £8,000 in the prior year. During the year £62,895 (2018: £295,221) was paid on behalf of YMCA North Staffs Trading Ltd and £nil (2018: £252,920) was received on behalf of YMCA North Staffs Trading Ltd. Management took the decision to write off the full amount of £62,895 owing at the year end date from North Staffs Trading Limited (2018: £42,301 provision). At 31 March 2019 £nil (2018: £nil) was due from YMCA North Staffs Trading Ltd.

A Board Member provides the Association with HR support on a consultancy basis. During the year a total of £3,900 (2018: £2,700) was paid to this Board member. At 31 March 2019 £300 (2018: £300) was outstanding.

The wife of the Chief Executive Officer provides the Association with consultancy work. During the year a total of £nil (2018: £540) was paid to them. At 31 March 2019 no amounts were outstanding.

A Board Member and Chairperson are common directors of The Ideas Facility Limited. During the year The Ideas Facility Limited provided training sessions totalling £nil (2018: £1,440). At the year end no amounts were due to The Ideas Facility Limited (2018: £nil).

The wife of the chairperson provides the association with consultancy work. During the year a total of £214 (2018: £2,589) was paid to them. At 31 March 2019 no amounts were outstanding (2018: £nil).