Trustees' Annual Report & Accounts 2017/18

AVES FOLLOW

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Welcome from the Chairman

We have now completed the second year of our 2020 Vision strategic plan to develop as a Youth Minded Community Approach (YMCA) organisation translating our inclusive and Christian foundation into services that help young people belong, contribute and thrive. Across our many communities in Surrey, West Sussex and East Sussex we have seen significant developments in our support and reach to young people with over 13,000 beneficiaries making use of our services during the year.

In Guildford we invested over £3,000,000 in the redevelopment of our YMCA Guildford Foyer (formerly Midwey House) increasing accommodation from 12 to 34 individual studio apartments. In Crawley we invested nearly £1,000,000 in the refurbishment of 40 studio apartments for our young people. We also acquired ownership from YMCA England and Wales of our housing facilities in Horsham and Crawley and disposed of Alphacom House raising much needed funds to support our services.

In addition to the provision of accommodation we have seen increased demand for our services which provide help and advice for young people. We provided counselling services in over 90 schools and colleges. Through YMCA Dialogue we provided counselling and wellbeing services to over 3,000 children, young people and their families. We increased our support for young people in Brighton with the relocation of our Youth Advice Centre to the centre of town. We also engaged with over 100 young people seeking accommodation, employment or training through our mentoring scheme, YMCA Positive Placements.

During the year we collaborated closely with Eastbourne and Wealden YMCA in supporting their work locally. This led to a mutually agreed conclusion to merge Eastbourne and Wealden YMCA within YMCA DownsLink Group with effect from 4 June 2018. You will see from the map on page 4 where the YMCA DownsLink Group of local YMCAs are located.

Our fundraising efforts this year generated a total of £257,000 (last year we raised £148,000). With this contribution and careful financial management for an ever-growing demand for our services, we are pleased to report that we have finished the year with an operating surplus of £312,000 which is being directed towards much needed funding to maintain and grow the work we do.

We could not have achieved so much without the commitment and support of the many involved in the delivery of our services. We would like to take this opportunity to thank the commissioning agencies who help fund our work; Charity Bank which extended us a $\pounds 2.5$ million loan; Homes England (formerly the Homes and Communities Agency) which has provided valuable grants for investment in our properties; the many generous donors who have given financially through our Sleep Easy and other fundraising initiatives. We would also like to thank our many employees and volunteers for their



dedication to the young people we serve. Our growing number of chaplains particularly provide an invaluable source of friendship and a listening ear to our residents.

During the year we welcomed Paul Napthine as our new Head of Operations in Guildford. We also welcomed Simon Braid and David George (who joined us following the merger with Eastbourne and Wealden YMCA) as new trustees. We said goodbye to two trustees, Richard Smillie and Peter McMahon who have served the Board faithfully over many years. Since retiring we are sad to report the recent news of the death after a short illness of Peter McMahon and we extend our sincere condolences to Peter's family and friends.



L-R Richard Smillie, John Slater, Peter McMahon

In an ever-changing world it is both encouraging and exciting to know that we are part of the YMCA organisation which is generally recognised as the oldest and largest youth organisation in the world. In the UK it comprises 112 separate local YMCAs like ourselves with a total turnover of £220 million. Internationally it operates in 120 countries reaching over 64 million beneficiaries through 88,000 staff and 920,000 volunteers.

We now look forward to a year of further progress and also a year when we will be celebrating our centenary, the origins of the present organisation starting in Hove back in 1919.

John Slater Chairman



SECTION A: Strategic Report

Our progress against our strategy and plans for next year

This section of the report sets out our progress against our 2020 Vision: Youth Minded Community Approach. The strategy has four themes: Mission, Participation, Quality and Resource. Under each heading we set out examples of our work and progress in each area as well as setting out plans for the coming year.

MISSION



Helping young people belong

Last year we said we would improve how we balance the resources in our frontline services with the needs of young people in our communities. We have completed our first major development, YMCA Guildford Foyer, providing a total of 34 units of accommodation. We have also leased a further 44 units to meet increasing housing needs in our area. We have invested in refurbishing 40 units of existing accommodation and developing a new space to create a wellbeing centre in our YMCA Crawley Foyer. We have completed a staff restructure, to provide more efficient and consistent services to supported housing residents.

This year we have given 926 young people who were at risk of homelessness somewhere safe to live; this is an increase of 15% on last year. Our staff and volunteers have supported them to feel welcome and included in the local communities in which they live. Our bed spaces and where they are located are listed below:





In our client survey this year we learnt that:

- **91%** of our clients said that we were welcoming and approachable
- 79% said they felt like they belonged at YMCA. Belonging is challenging to measure, but we work hard to make residents welcome in their homes. We recognise that young people struggle to feel like they belong in society and one response in the survey sums this up, "in one sense I feel as I belong because of all my friends and the staff but in another sense I don't feel as if I belong anywhere in the world."



YMCA CHAPLAINCY

Providing a non-judgmental space to discuss, explore, listen & support

One of the services that supports our residents to belong is chaplaincy, a service that is for any resident, whatever their beliefs. Our chaplains are all people of faith and come from a variety of professional and personal backgrounds, and are there to listen. We are pleased to have Chaplains from different faith backgrounds, demonstrating to young people that faith can be a force for unity.

A resident recently said, "the chaplains are amazing, friendly, lovely and make me feel so welcome". Another young man commented "they are approachable, you can talk to them about anything". Our chaplains really enjoy the experience of being with the residents, one volunteer says, "I remember one conversation with a young Muslim man who said 'I like speaking with you because you are not part of the system – we can just be ourselves".





YMCA GUILDFORD

PART OF YMCA DOWNSLINK GROUP



YMCA Guildford provides accommodation and support for vulnerable young people and students.

The cast and creative team of 'Belongings', at Glyndebourne, hosted a group of young refugees and asylum seekers from YMCA Guildford.

'Belongings' was a new commission from Lewis Murphy, Glyndebourne's Young Composer-in-Residence, which tells the stories of young people forced to flee their homes by war. The opera explores themes of isolation, segregation, displacement and the search for a place to belong.

One of the young people visiting Glyndebourne, said, "I felt like I was a prince in a castle... So many people made us feel so welcome. The rehearsal made me feel so many emotions and the set felt real at points from my memories. It was nice to share parts of my story with the director".

Our plans for next year:

- ▶ increase the number of units of accommodation to 634
- pioneer an innovative modular build development in Brighton and Hove
- recruit a new Head of Operations for East Sussex locality to support the development of a strong YMCA in East Sussex
- ► develop YMCA Chaplaincy across East Sussex and Guildford
- develop YMCA Positive Placements across East Sussex



MISSION Supporting wellbeing in young lives

Across all our services 80% of our clients in our annual client survey said they felt listened to by us. We deliver therapeutic and counselling services through schools and education settings, community venues and even online. Last year we said we would increase the reach of YMCA Dialogue and we have achieved this through the new Wellbeing Service contract in Brighton and Hove and extending our offer into schools across our area.



YMCA DIALOGUE

Counselling and therapeutic support for children, young people and families

YMCA Dialogue provides therapeutic interventions, such as counselling, to children and young people.

This year YMCA Dialogue:

- provided 3,000 children, young people and families with a counselling service through paid and volunteer counsellors
- ▶ 22% increase in income generated to support this work over the last year
- 19% increase in our investment into this work on previous year, which supports 90 (37 full time equivalent) staff members
- was successful in gaining reaccreditation with BACP (British Association of Counselling and Psychotherapy)
- delivered 22 mental health courses in West Sussex to over 400 professionals that work directly with children and young people. This training was cofacilitated by our young people and is part of a partnership programme with West Sussex Coastal Mind
- delivered the young people's element of the new Brighton and Hove Wellbeing service that was launched this year. The new service is based on the feedback from professionals, children, young people and their parents / carers to put in place a new mental health pathway that joins together (Child and Adolescent Mental Health Service (CAMHS), Adult Mental Health Service (AMHS), Mind and the YMCA to ensure that people can find out information and can seek help early, referring into one 'front door' in order to get the appropriate response and level of support as soon as possible
- recorded 86% of clients in children and young people's services feeling that we are sensitive and appropriate when we talk about trauma. Our wellbeing specialist services received a 99% satisfaction rating from their clients and 100% felt they were getting the support they needed





YMCA RIGHT HERE

Young people participating, campaigning & influencing to promote health & wellbeing

YMCA Right Here is our specialist youth led wellbeing and influencing initiative.

- YMCA Right Here Youth Ambassadors won the Health & Wellbeing project of the year at YMCA England & Wales Youth Matters Awards in November
- reached over 800 children and young people through young volunteers who worked in schools
- worked with the NHS and YMCA England & Wales again this year on the #IAMWHOLE campaign which reached 3,760,760 people in one day on World Mental Health Day
- our Find, Get, Give website, <u>www.findgetgive.com</u> had 1,207 sessions (930 visitors) to gain advice or help about emotional wellbeing, and signposting to wellbeing services





Our plans for next year:

- increase our investment in being a trauma informed organisation (which is our commitment to ensure that our children and young people can feel safe in our services and trust our workers through supporting our staff to consider the effects of past trauma on our young people)
- increase the reach of our YMCA Dialogue services through investing in an online counselling model of operation
- extend our YMCA Dialogue services into East Sussex and further into Surrey with the aim of reaching 500 young lives



MISSION Keeping children and young people safe

The safety of the children, young people and families we work with is of paramount importance to our YMCA. We have continued to invest in our organisational approach to safeguarding. This year we recruited a Safeguarding Officer to support our designated safeguarding lead. In our risk register we have identified risk to a young person and or a member of staff as our number one organisational risk. Following our mitigation work we are pleased to say that incident reports in our YMCA fell by 50% this year.

88% of our clients reported feeling safe in YMCA DLG services. We were pleased to see an 8% increase in this rating this year.



YMCA YAC is our Youth Advice Centre and offers support and advice to any young person, on a wide range of issues.

At the start of the year, YMCA YAC re-launched its services from new premises in the centre of Brighton and Hove. This year YMCA YAC helped young people keep safe by:

- Seeing and advising over 3,000 people
- providing support on a wide range of issues including housing advice, family mediation, sexual health, mental health, relationships, substances, employment, training and education
- working with a range of partners such as the Youth Employability Service, CAB, and the RU-OK? substance misuse service
- making a short film to help support our retendering process to show the impact of our work which can be viewed at <u>www.ymcadlg.org/supportadvice/youth-advice-centre-yac/</u>



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YMCA YAC - support & advice service in central Brighton 446 views





YMCA SAFE SPACE

Support and first aid for people intoxicated, distressed or injured during a night out

YMCA Safe Space is a project open on Friday and Saturday nights in Brighton and Hove offering support and first aid to people affected by alcohol or substances or who have been injured.

- 848 contacts through YMCA Safe Space this year, helping intoxicated, injured or distressed people in Brighton and Hove
- YMCA Safe Space provided a significant cost saving to the health economy of Brighton and Hove, saving 123 paramedic call outs and 116 ambulance trips to A&E (saving the NHS approximately £325,000, based on 2011 NICE figures)
- ► We ended our relationship with the British Red Cross and contracted EMS Ltd who are providing an improved and enhanced First Aid response



YMCA WISE PROJECT

Supporting children and young people to stay safe in their relationships

YMCA WiSE is a project that covers Brighton & Hove, East Sussex and Surrey and offers support and advice to children and young people who are at risk of sexual exploitation.

WiSE stands for, 'What is Sexual Exploitation?' and is a campaigning and awareness raising project which also offers direct support to young people, and advice to professionals.

We published a <u>report</u> which researched knowledge and awareness of sexual exploitation of boys and young men across Brighton and Hove and East Sussex.

The report found a general lack of awareness amongst parents/carers, professionals and children and young people themselves. This is a significant factor in the invisibility of boys and young men as victims of sexual exploitation.

Following the report YMCA WiSE developed an awareness campaign, 'WiSE Up to Boys'. The films produced for this campaign can be viewed at our <u>YMCA WiSE Project YouTube</u> <u>channel</u>

YMCA WiSE reached 4,000 children through group work sessions and assemblies raising awareness about sexual exploitation and how to stay safe in relationships.





Our plans for next year:

- open a new youth Advice, Support & Counselling Hub as part of YMCA Crawley
- review the YMCA Eastbourne youth advice offer and how this can be developed to reach more young people, offering a therapeutic component
- ▶ increase our investment in services that keep children and young people safe
- complete a formal review and quality assurance of our internal safeguarding work



MISSION Helping young people achieve

At a time when young people are finding it harder than ever to find safe and stable employment we are committed to both providing services that help young people achieve and to campaign and support the voice of young people on their opportunities for education training and employment.

Young people who are at risk of homelessness are most likely to have the poorest employment prospects; we are committed through our accommodation service to providing those young people with *more than a room.* Last year we had 378 young people living with us who were in education, employment and training.



YMCA LIFE CHANGE FUND

Helping young people access opportunities that will improve their lives



We launched a new Life Change Fund for young people to get financial help to achieve a goal, something that would have a positive and significant impact on their life.

54 individual young people were helped to achieve their goals including:

- deposit for student accommodation & a laptop for university studies
- a bicycle and safety equipment to help get to work on time
- college fees or professional qualifications
- gym membership to pursue a personal fitness goal (see YMCA Positive Placements case study below)





YMCA POSITIVE PLACEMENTS

Supporting young people in their journey towards education, employment or training

YMCA Positive Placements is a community volunteer mentoring scheme.

- we won the Children & Young People Now Advice and Guidance award (right)
- ▶ **103** young mentees supported by mentors
- 99 volunteer mentors supporting young mentees



YMCA Positive Placements: a mentee's story

Oliver lives in supported housing and has cerebral palsy so has difficulty with fine motor skills and walking. He had a difficult time at home and wanted to live more independently. His flat was altered so he could use the bathroom and kitchen on his own. Oliver volunteers in a local charity shop but unfortunately had to give up his dream job working in a football retail shop. He really wanted to learn to do things for himself. He was very keen to make friends and get a job and so was referred to YMCA Positive Placements project by his YMCA DLG worker.

Oliver was matched with a mentor and they quickly started to work together on his goals. Oliver struggled to work out what he wanted to do - he had to give up his last job due to depression and was also on a long waiting list on the NHS for physiotherapy and said that his legs were really hurting and cramping up without the regular physio that he needs.

His mentor had the idea of applying to the YMCA Life Change Fund to see if they could grant some money for a gym membership and physiotherapy sessions. Oliver and his mentor felt that if he could get into the gym and work on his strength and meet people it would not only get him out of the house but build his confidence to make the move back into employment. If he could get some physiotherapy sessions privately it would really help with his movement and the ability for him to get out and about.

Oliver was awarded funds from the Life Change Fund. He was really thrilled and loved going for his private gym induction session. Oliver was so pleased to have been helped that he asked if he could do some fundraising for the YMCA DLG. He drafted a letter to a local football club to ask for a signed shirt that he could auction off for money to put back into the Life Change Fund.

Oliver said, "The money raised from auctioning the signed shirt would go into the "Life Change Fund". This basically enables the YMCA to give grants for anything they [young people] may need. For example, I am disabled and needed a gym membership to help me with my physiotherapy and there's no way I would be able to pay for that myself, so the YMCA gave me a grant to go and get gym membership and physiotherapy sessions. It's brilliant work and I want to give back."





Our Education and Training team have designed and published a series of new resources to support the professional development of young people we work with. These 'Quick Cards' are resources that can be delivered in 1-1 or group sessions by any staff or volunteer. They include topics such as Interview Techniques, Application Forms, STAR (Situation, Task, Activity, Result), Job Search Activities, Speculative & Covering Letters, Problem Solving, Decision Making, and Transferrable Skills.

Our plans for next year:

- as part of our 'more than a room strategy' we will invest £175k of our YMCA's resources to improve the access of our residents to mentoring, training and employment services
- campaign on the issues of employment rights for young people



Empowering young people to influence

Last year we said we would strengthen the voice of young people and can demonstrate the impact of a strong voice through the work of YMCA Right Here. We also want to improve how young people have a voice within our own services and have a plan for this for next year.



YMCA RIGHT HERE

Young people participating, campaigning & influencing to promote health & wellbeing

Giving young people a voice on things that matter to them is an important part of the work of our YMCA. Our YMCA Right Here project has young volunteers (youth ambassadors) who help influence and provide a voice for young people, as demonstrated by the case study below. It has been really encouraging to see the work of this team extend outside of its original mental health agenda to start working on a broader set of issues that affect young people in our society.

As part of the Big Health & Care Conversation, Brighton & Hove Clinical Commissioning Group (CCG) asked YMCA Right Here to inform young people of the Sustainability & Transformation Partnership (STP) and involve them in influencing the future planning of young people's services.

An initial consultation with 170 young people identified the main health concerns for young people which informed the planning and delivery of an interactive conference. This event brought together 50 young people with senior CCG representatives and NHS decision-makers to discuss the issues young people had identified in more depth. The key issues were around GPs, mental health, health inequalities, waiting times across services, tackling stigma around mental health and preventative health education. Feedback showed how YMCA Right Here's work involving young people had been greatly valued and would be used to influence the future planning of health provision across the city. One young person said, "it was great to actually talk to the people in charge of making decisions and telling them my story."

"It was fantastic to have the opportunity to speak to young people about the NHS and hear their experiences of health and social care services. We want to work closer with local young people to make sure that the services we commission are right for them and the feedback from this event, and others that we are planning on the back of its success, will help us do this.", David Supple - CCG Clinical Chair



YMCA Right Here Youth Ambassadors undertook a consultation in Brighton and Hove, and West Sussex to identify what issues their peers are most worried about for their future lives. The top three issues were lack of employment, lack of affordable housing and the NHS. Young people were asked about whether and how they might want to be involved in championing these issues and creating social change. They were also asked what they knew about the YMCA and the range of services we provide. There were differing levels of awareness and understanding. A 'Future Worries' report was produced with the intention of delivering a similar consultation in Eastbourne in the Autumn of 2018.

YMCA hustings event



In the run up to the general election we held a hustings event in partnership with One Church in Brighton. The event was staged in order to give young people and the marginalised an opportunity to ask questions directly to those seeking election in Brighton & Hove. This was well attended by our residents, and service users from other support services.

Our plans next year:

- develop further the work and reach of YMCA Right Here under the leadership of Mark Cull, Head of Young Peoples services
- refresh our youth participation strategy with a focus on external campaigning on issues that matter to young people and genuine youth participation in organisational decision making
- recruit a Youth Trustee for our Board
- through YMCA Right Here, complete our ethos, values and culture work by understanding how service users of our YMCA feel we live up to our values



PARTICIPATION

PARTICIPATION

Engaging with local communities



YMCA DLG Volunteer Celebration Event, June 2017

This year saw our community work go from strength to strength, in particular our role in Galvanise Brighton & Hove and our Sleep Easy event which was bigger than ever, and the Christmas Love in a Box campaign!

Our volunteer programmes across YMCA DLG are vital, and without the hard work of our volunteers we would struggle to deliver our services. We estimate a minimum of 23,050 hours were given by our regular volunteers last year.

We would like to thank all our volunteers who gave their time this year, either as regular volunteers, or through one-off events like Sleep Easy.



Galvanise Brighton & Hove



We were proud to be part of a new campaign called Galvanise Brighton & Hove this year. The campaign seeks to end the cycle of

chronic homelessness by engaging a much wider group of people to find and resource innovative housing

solutions. At the end of 2017,**160** volunteers from across Brighton and Hove took part in a week of local action bringing together the local community, those sleeping on the streets and those working in homelessness organisations. Known as Connections Week, the aim was to make sure rough sleepers were spoken to about their story, situation and aspirations for the future to ensure services and support truly reflects the needs of homeless people.

Volunteers spoke to **125** rough sleepers and the phase I report from the research can be found here: www.galvanisebh.org/campaign-progress/



Sleep Easy 2018

This year's event, raising money for our work, was YMCA DLG's most successful yet. 171 people slept out for one night in Brighton and Hove, Horsham, Guildford and the University of Surrey campus, smashing the £50,000 fundraising target to raise an incredible **£62,404**.



This year also saw greater participation from the corporate community, from the sites that hosted us - Horsham YMCA Football Club, Guildford Castle and BHASVIC (Brighton and Hove Sixth Form College) - to those that donated food items and entered teams – Tesco plc, FareShare, Penningtons and TurnFit.



Love in a Box

We had an extremely successful Love in a Box campaign across YMCA DLG this year with **279** boxes filled with festive gifts from local community members. These were donated to our young residents for Christmas.





Empowering local services

The YMCA's history is all about YMCAs emerging from local communities to best meet the needs of young people in those local communities. YMCA DLG has developed from a number of original local YMCAs across Sussex and Surrey that have seen the benefit of merging our individual capacities together; this best meets the needs of our young people, whilst retaining a clear local identity. We are pleased to report Eastbourne and Wealden YMCA will join the group in June 2018 creating a strong YMCA in East Sussex.

This year we completed the restructure of our Leadership Team with the emphasis of investing in locally based senior leadership. We were really pleased to recruit Paul Napthine to our Head of Operations for YMCA Guildford.



Pride 2017 – our local Communities and Property Services team organised and led on this



Our plans next year:

- hold stakeholder events across our four main geographical operating areas as part of our 2020 vision refresh
- roll out our YMCA brand and structure across East Sussex: YMCA Eastbourne, YMCA Hailsham, and YMCA Hastings
- develop a local governance reference committee for East Sussex
- recruit a Head of Operations for local YMCAs in East Sussex
- review and action results from our staff survey to further develop our work to empower local YMCA services

PARTICIPATION Adopting a lead role in the YMCA Federation

We believe that the value of the YMCA Federation of England & Wales is the strength of the sum of our parts. We are committed to adopting a lead role in the Federation that reflects the size and nature of our YMCA.

This year we have worked closely with Eastbourne and Wealden YMCA which resulted in them merging into YMCA DownsLink Group in June 2018.

This year we have fully participated in the national YMCA conference and have supported Federation leadership through our role as Chair of the Federations Brand Steering Group and membership of the national pension reduction liability group. Internationally we hosted YMCA Norway who visited Brighton to find out more about our work and three of our people were selected to attend the international conference in Thailand in Summer 2018.

Our plans next year:

- work with Hastings YMCA to support their development and maximise the impact of the YMCA in Hastings
- fully participate with the development of the National Federation strategy and development of a new Federation membership agreement



RESOURCE

Review of financial performance

The Charity is reporting a good financial performance for the year with a surplus of ± 357 k. There were several contributing factors including, tight budgetary controls on staff costs, additional units acquired under the Homes England sponsored Empty Homes Programme, the successful negotiation of rent charges, increased fund raising and income from the disposal of Alphacom House. We will use the surplus to both invest in new work, and to review and improve our reserves policy.



RESOURCE Developing a balanced growth strategy

Last year we said that we were going to set a balanced budget for 2017-18 and we did do this.

The underlying income for the year increased by 1.9% to £11,429k (2016: £11,218k), despite the loss of rental income during the refurbishment programme undertaken at YMCA Crawley Foyer for 7 months and the redevelopment of Midwey House completed in November 2017, rebranded YMCA Guildford Foyer. However, this has largely been offset by the Brighton and Hove Wellbeing Contract that commenced in July 2017, increased success within the Empty Homes Programme completing 44 units (2017: 26 units), and additional fundraising activity adding £257k financial support for targeted community activity and youth participation programmes (2016/17: £148k).

Income and Expenditure Summary	2018 £'000	2017 £'000	Movement
Income	11,429	11,218	1.9%
Operating Costs	(11,112)	(11,249)	1.2%
Underlying operating surplus / (deficit)	317	(31)	1122.6%
Grants relating to purchase of Horsham and Eastbourne Y Centres	-	901	-100.0%
Pension deficit	(5)	(60)	91.7%
One off costs	-	(264)	100.0%
Operating surplus	312	546	42.9%
Net Interest	(27)	(21)	-28.6%
Disposal of properties	72	2,345	-96.9%
Surplus for the year	357	2,870	87.6%



The underlying costs increased by 1.2%. We moved from an underlying operating deficit in 2017 to a surplus in 2018. One of the Charity's objectives is to move to full cost recovery, and this was not expected to be achieved in 2017-18. Much of this has been due to tight budgetary controls and the impact of the housing staff restructure that took place during the year.

Our plans next year:

- complete a review of our current fundraising activities and develop a new fundraising strategy
- successfully retender for major housing support contracts in Surrey, West Sussex, Brighton and Hove, and our counselling contract in West Sussex
- successfully integrate Eastbourne and Wealden YMCA into YMCA DLG
- complete the purchase of a new Foyer building in East Sussex
- review our current reserves policy to reflect recent growth



RESOURCE Deriving best value from physical assets

Last year we said we were going to improve the quality of our buildings. With support from Homes England we completed the redevelopment of Midwey House to launch YMCA Guildford Foyer, to provide a 34 unit Foyer in Guildford. We also refurbished 40 units of accommodation at YMCA Crawley Foyer. The total cost for the Guildford redevelopment was £3.33m of which £1.66m of grant was received from Homes England. The Crawley Foyer refurbishment cost £900k with a grant of £450k from Homes England, 75% of which was received during the year.

Alphacom House was sold in May 2017 to the Community Interest Company, Horsham and Crawley Counselling Group for £275k.

During the year a facility with the Charity Bank for $\pounds 2.5m$ was arranged to fund the asset optimisation programme. As at the end of March 2018, $\pounds 1.5m$ of this loan facility had been drawn down. Key covenants associated to the bank loan include debt service cover, gearing ratios and asset cover. During the year and post year end all covenants were met.

With the sale of the Lewes YMCA property in 2017, the company and charity Lewes and District YMCA have now been wound up.

The accumulated funds of $\pounds 9,376k$, including restricted reserves of $\pounds 61k$, have increased by $\pounds 357k$ following the good financial performance for the year. The reserves are used to meet our strategic objectives of supporting vulnerable young people to belong, contribute and thrive. As a result, the majority of our reserves are deployed in providing housing. At the end of the financial year the level of free reserves held was $\pounds 308k$



(2017: £165k). The charity has a cash management policy to hold a minimum of £1m cash which equates to approximately one month of cash outflow. At the end of the financial year the charity had cash cover of 2.5 months (2017:2.2 months) compared to a target of 1 month.

Our plans next year:

- ► secure capital funding to further develop YMCA Worthing Foyer
- recruit asset manager and review long term maintenance program of our assets
- complete an asset optimisation review of building assets in Horsham and East Sussex
- increase our YMCA Empty Homes private leasing scheme by a further 25 units

RESOURCE <u>Improving efficiencies - Value for Money</u> <u>Statement</u>

The missional work presented in the first part of the Trustees' Report (pages 2 to 20) has been reviewed to ensure our services deliver value for money in both impact and reach. We can demonstrate improved value for money this year through a number of reviews and restructures that took place, including:

- last year we anticipated a significant cost saving through an extensive staffing restructure in Communities and Property Services (CAPS) which did save YMCA DLG over £206,000 per annum
- CAPS also reviewed night time arrangements in one project and have saved a further £3,000 per annum
- we sold one of our buildings, Alphacom house in Horsham, and reapplied the £275k to our housing stock
- ▶ we renegotiated our mobile phone contract, saving £14,700 per annum
- a review of broadband and communications achieved over £3,000 savings per annum
- ▶ restructuring our café arrangements in Guildford saved £17,000 per annum
- ▶ we saved £9,000 per annum through a re-tendering exercise for YMCA insurance

In addition to the above tangible savings, we made the following operational efficiencies:

we moved to a new provider for our e-learning courses, extending our topics from 3 to over 30. We have also been able to extend the offer of some of the course to our service users, which has been of use to our Learning teams. For an extra £1,000 a year, we have increased our use of e-learning to enable young people to benefit, as well as increase the library of courses ten-fold to staff



we increased the hours of engagement activity to residents in Worthing by a further 52 hours through our extended chaplaincy offer, delivered by volunteer chaplains

Our plans next year:

- review our central support functions, ensuring they are fit for purpose and present the organisation with Value for Money
- complete our formal Value for Money strategy and continue to embed a culture of value for money through the organisation
- review our Information Technology requirements and ensure we are properly investing in the required technology



Last year our focus was on continuing to invest in, value and develop our people. We did this by making a pay award in September that recognised the work of our lower paid staff by paying them a higher than average percentage increase. We wanted to show how we value the work people do, recognising that many of the areas that we work are in areas of high housing costs. We reviewed our appraisal process to ensure it's a continuous improvement. We created a process of quarterly review so that people discuss their progress throughout the year. We have carried out a leadership development programme focussed around 360 feedback so that our Leadership Group are able to grow and develop their skills, and in doing so are better able to lead and influence the rest of the organisation.

Our plans next year:

- become a living wage employer by September 2018
- develop a formal staff reward and career development strategy
- develop our managers by providing a training programme to enable them to be the best leaders they can be
- invest further in developing our staff to be trauma informed and trauma supported; this is part of our investment in being a trauma informed organisation



QUALITY

Trustees compliance statement

YMCA DLG meets the requirements set out by the Charity Commission and the standards set by Homes England (previously Homes and Communities Agency). As trustees we oversee the financial viability of the organisation, as well as ensuring the organisation complies with all relevant statutory legislation, including financial reporting requirements.

At the time of this report YMCA DLG complies with all necessary regulations, and where we have had incidents of non-compliance we declare this below.

We had one data protection breach which was reportable. We reported immediately to the Information Commissioner's Office, and kept them informed whilst we took action and investigated. We also informed the Charity Commission and Regulator of Social Housing. We resolved the immediate breach and took steps to ensure that there could be no recurrence.

We have a quality management system that is independently audited through the British Assessment Bureau and this year we were successful in upgrading to the latest ISO 9001:2015 standards.

Our internal auditors, Mazars, undertake a variety of independent audits, using the Homes England Framework and other legal and regulatory standards. This year they completed the following audits: Value for Money, Information Security, and Assets and Liability.

Our own internal quality audits and the work we do with Mazars, help us evidence our quality framework and identify areas for improvement. For example, this year we have reviewed our lone working arrangements and have ensured that all our lone workers have done their required training.

We regularly reported on compliance to the Finance and Audit Committee which reports to the Board of Trustees. The board receives a full annual compliance report.



QUALITY Measuring impact and telling our story

Last year we said we would improve our internal reporting on our impact measures (key performance indicators). This year we achieved quarterly reporting to the board on key outputs and impact measures both organisational, and missional. The measures evolved over the year and have reflected key areas of the strategy. Examples include:

- information on improved wellbeing amongst our clients
- client satisfaction levels
- staff satisfaction and wellbeing levels
- performance against key areas of compliance

Our plans for next year:

- invest further in communications to support our fundraising strategy and the quality of our internal communications
- continue to review how we measure the impact of our YMCA to support us in our governance, leadership, communicating with stakeholders and supporters
- complete all building branding including East Sussex

OUALITY Building leadership and governance

When we implemented our 2020 vision in 2016 we knew that strong governance and leadership were essential to our success and this was one of our objectives last year. The Board evaluates its own performance annually. We have continued to strengthen our Board through a review of governance this year. We further developed the Board Champion structure which allocates each trustee to champion different aspects of our work in conjunction with key executives. We have also restructured our governance committees into an audit and risk committee which meets three times a year; a business planning and finance committee which meets at least three times per year, and a people and participation committee which meets quarterly. We also recruited one additional trustee with financial and social housing experience; we are really pleased to have recruited Simon Braid a former KPMG partner and social housing finance expert. During the year Richard Smillie and Peter McMahon retired from the Board. Since year end, David George, formerly a trustee of Eastbourne and Wealden YMCA, also joined the Board.



Our plans next year:

- review future leadership requirements and investment needs
- develop a set of organisational behaviours to support ethos, values and culture project
- complete the leadership development programme



We have worked hard on risk mitigation through a series of workshops which involved staff at all levels.

On our number one identified risk to staff and service users we have reduced the serious incidents by 50% through increased investment in staffing and training. We also commissioned a lone working review, which reports back to the Board this summer. In terms of the safeguarding risks we have invested in our safeguarding services and again improved our policy, procedure and training. Data protection moved higher up the top ten during the review, as a result of increased awareness amongst staff with the new General Data Protection Regulation (GDPR) legislation. We set up a GDPR working group to ensure our compliance with the new legislation which comes into effect in May 2018.

In responding to the risk of overstretched resources due to reductions in our public sector funding, we have worked well with our commissioning partners to manage this risk. We have been more successful than we had anticipated in public sector tendering over the last year and this has supported the recruitment of over 100 front line roles.

Our top three risks were identified as:

- 1. Serious incident endangering staff and/or clients (service users)
- 2. Non compliance to new GDPR regulations and implications of a significant data breach
- 3. Overstretched resources

Our plans for next year:

- complete a full review of our risk register and develop further our quality assurance mapping
- finalise with the Audit & Risk Committee our internal audit plan with Mazars taking into account the assurance mapping work
- review our contract database and map contract risk, as part of risk review
- complete our GDPR final actions by the end of October 2018 and report back to the Board



Being a values-led organisation

We also said we would identify a set of values that capture our ethos and mission for staff, clients and stakeholders. An important part of our work this year was to review our organisational ethos, values and culture. This was a major project and has involved significant consultation with staff and trustees.

We were really pleased to complete phase one of the project this year which was to better understand how our Christian foundation and inclusive vision works through our YMCA Chaplaincy services. We also identified three important values that will drive forward the culture and nature of our YMCA- *we welcome all*, *we* **inspire**, *we* **support**.

In the next phase of the project we will be testing with young people through our YMCA Right Here young volunteers how well we live up to these values.





Comment from our Chief Executive: Our 2020 Vision Youth Minded Community Approach

In 2016 we finalised a new strategy for our YMCA which we called our 2020 Vision. Our vision is to be a *youth minded community approach organisation*. The vision reflects the history of the YMCA as the oldest and largest international youth charity, and that the YMCA has always developed from local community roots. The world has changed a lot in the 174 years since the YMCA was founded, but young people need a strong and ambitious YMCA more than ever and the YMCA and the young people we work with need the support of our local communities, if young people are to truly *belong, contribute & thrive* in the local communities in which they live.

YMCA DownsLink Group's aim is to develop local YMCAs across Sussex & Surrey. We have done this by capacity building through mergers with other local YMCAs over the past few years. A good example of this is our merger with Eastbourne YMCA, in June 2018, which will deliver three strong local YMCAs - YMCA Eastbourne, YMCA Hastings & YMCA Hailsham. These YMCAs are able to offer 250 young people in East Sussex a place to live, an ongoing commitment to youth work and targeted youth services reaching over 500 young people each year, and our ambition is to build and deliver more services to young people through these local YMCAs in East Sussex.

As well as developing strong local YMCAs, YMCA DownsLink Group is actively responding to the emerging needs of children and young people in our society. One of those emerging needs is the increasing prevalence of mental health problems faced by children and young people. YMCA Dialogue is our specialist therapeutic services offer to children and young people. One of our biggest achievements last year was to provide over 3000 children and young people with a counselling service. There is far more need and work we can do in this area, but it is important this work reflects the digital world our young people occupy. YMCA Right Here is our youth led wellbeing service and its cutting-edge work advocating for and responding to young people's feedback is ensuring our services are innovative and accessible to young people.

Oxfam reminded us that Charity's biggest failure is when it fails to protect those that they are there to care and support. *Keeping young people safe* is central to our 2020 vision and we were pleased to strengthen our safeguarding work this year, through the recruitment of a dedicated Safeguarding Officer to support our safeguarding lead Rachel Brett.

Looking to next year I am determined that the continued pressure on public funded resources does not diminish our ambition to positively impact more young lives. I am excited by our current work to review our fundraising potential and our belief that increasing our voluntary income will enhance our work. This should create a greater independence to develop our services in line with our vision and to better advocate for young people, giving them a stronger voice on issues that concern them.



Chas Walker CEO



SECTION B: Directors' and Trustees' report

Corporate governance information

Constitution

The charity is governed by its articles of association and was incorporated on 24 September 1999 as a company limited by guarantee (registered company number 3853734) and commenced activities on 1 April 2000. On that day it took over the activities of Hove YMCA (registered charity number 305261). The charity is governed by its Articles of Association.

The Board of Trustees is the central decision making body of the Company. It comprises of 12 trustees.

Diversity and equality

YMCA DLG is an organisation that recognises and values diversity and purposefully promotes equality.

We seek to understand and positively respond to diversity across the protected characteristics of the Equality Act 2010. This includes gender, gender identity, marital status, sexual orientation, race or ethnic origin, religion, faith and belief, age, disability, health issue, working pattern, caring responsibilities, trade union activity or political beliefs. Discrimination and discriminatory practices will be identified, challenged and addressed at all levels.

Our aim is to ensure that these commitments, reinforced by our culture and values and our Diversity and Equality policy, are embedded across our strategic policies and work, and in our day-to-day working practices.

As an organisation with a Christian ethos, YMCA DLG has some designated paid posts for which there is an Occupational Requirement for the post-holder to demonstrate a clear commitment to the Christian faith. This would be for reasons of providing spiritual leadership and/or maintaining the Christian ethos of the organisation and would include the Chief Executive and Lead Chaplain. For all other post holders, there is an expectation to respect our Christian ethos and uphold its values. To these posts, we welcome those of other faiths and those of none.

Board and committee meetings

The Board meets at least 6 times a year. YMCA DLG has a three committee structure: the People and Participation committee, the Audit and Risk committee (previously Finance and Audit Committee), and Business Planning and Finance committee. The committees have defined Terms of Reference, and report to the Board.



Statutory and regulatory requirements

We have one area in which our constitution does not meet the eight standards of the NHF Code of Governance, and that is because our YMCA DLG constitution allows for 15 Trustees and the Code states a maximum of 12. At the date of this report we had 12 trustees so are meeting the Code of Governance requirements.

Fundraising Statement

This year in preparation for the General Data Protection Regulation we reviewed our fundraising contacts and ensured we are GDPR compliant in our marketing and fundraising activities. We received no complaints about our fundraising or marketing this year.

Our fundraising spend is not at a level which requires us to register with a fundraising regulator and we do not employ third parties to fundraise for us.

Our fundraising approach is to use voluntary and unrestricted funds to complement our contract and commercial income streams to add value to our charitable work. Our fundraising is focused on the services we provide to young people and take the shape of events like YMCA Sleep Easy and campaigns like #IAMWHOLE.

All fundraising activity has been subject to a Data Protection Impact Assessment that has been approved by the Data Protection Officer. More specifically, YMCA DLG only sends fundraising emails to contacts who have given us consent to do so, we record that consent and always offer the option to opt out of receiving further emails, in line with current legislation.

For fundraising campaigns sent by post, these will only be authorised following the completion of a Legitimate Interests Assessment drawn using Information Commissioner's Office guidelines and again the option to ask us to stop sending fundraising material will be included in the communication. By taking these steps we aim to protect people (especially vulnerable people) from unwanted marketing or fundraising contact.



Investment powers

The Trustees confirm that the investments made by the charity are made in accordance with the Trustees' powers as provided in the articles.

Public Benefit statement

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The Trustees consider that our activities are a true reflection of our aims and objectives, and that they are designed to provide accessible services and activities that benefit the public in accordance with our charitable objectives.

We demonstrate the public benefit of our work in pages 4 to 20 of this report (section A).

Statement on internal financial controls and Trustees' responsibilities

As Trustees for YMCA DownsLink Group we acknowledge our ultimate responsibility for ensuring that the charity has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the charity or for publication
- the maintenance of proper accounting records
- ▶ the safeguarding of assets against unauthorised use or disposition

Controls and procedures in place include the following:

- formal policies and procedures including the documentation of the key systems and rules relating to delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures in place to maintain standards of performance
- forecasts and budgets are prepared which allow the trustees and management to monitor the business risks and financial objectives, and progress towards financial plans set for the year and the medium term
- regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate

nitiatives, major commitments and investment projects are

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising trustees and others
- the Audit and Risk committee review reports from management and from the external auditors to provide reasonable assurance that the control procedures are in place and are being followed
- a general review of the major risks facing the charity is done by the Audit and Risk committee which makes regular reports to the trustees
- formal procedures have been established for instituting appropriate action to correct weaknesses in the above procedures

Trustees' responsibilities

As Trustees, we are also directors of YMCA DLG for the purposes of company law. We are responsible for preparing this Trustees' report and the financial statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Social Housing SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Statement as to disclosure of information to auditors

So far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint the auditors, haysmacintyre will be proposed at the forthcoming annual general meeting.

This report, including both the Trustees' Report and Strategic Report, was approved by the Trustees on 12 September 2018, and was signed for and on behalf of the board by:

John Slater Chair of the Board of Trustees 12 September 2018



List of Trustees and Advisers

Registered Office

Reed House, 47 Church Road Hove, East Sussex BN3 2BE

Charity Number	1079570
Company Number	3853734
Homes England Registered Number	4644

List of Board Members

John Slater	Chair			
Ingrid Beatty	Vice Chair			
Simon Braid	Appointed 7 Feb 2018			
Peter Jeffrey				
John Holmstrom				
James Lister				
Peter McMahon	Resigned 1 Apr 2017			
Richard Nerurkar				
Deborah Pepper				
Richard Smillie	Resigned 1 Apr 2017			
Caroline Stearman				
Robert Wilkinson				
Andrew Wilson				
David George	Appointed 13 Jun 2018			
Audit and Risk Committee				
Don Bawtree	Independent Chair			
Simon Braid	Trustee			

Simon BraidTrusteePeter JeffreyTrusteeCarol LongIndependent memberPeter McMahonIndependent member, Resigned March 2018Robert WilkinsonTrustee

People and Participation Committee

Ingrid Beatty	Trustee and Chair
Deborah Pepper	Trustee
Andrew Wilson	Trustee

Business Planning and Finance Committee

Simon Braid	Trustee and Chair
John Slater	Trustee
Peter Jeffrey	Trustee
Robert Wilkinson	Trustee
YMCA DOWNSLINK GROUP



Executive Team

Charles Walker Rachel Brett Anne Cairns Val Lee

Ann Longhurst Eleanor Clarke Fiona Hall Julie Myers Chief Executive Officer

Director of Children and Young People Director of Community and Property Services Director of Finance and Resources, appointed September 2017, left February 2018 Interim Director of Finance, from 1 April Head of Quality, Compliance and Participation Head of People Assistant Director, Communities and Property Services, member from March 2018

Solicitors	Auditors	Company Secretary
Griffith Smith Farrington and Webb	haysmacintyre	Peter Brayne
47 Old Steine	10 Queen Street Place	Wise Governance Ltd
Brighton	London	35 Old Palace Road
BN1 1NW	EC4R 1AG	Guildford
DITTINW	LC4R IAG	
DMH Stallard	Internal Auditors	Surrey
		GU2 7TX
Gainsborough House	MAZARS LLP,	
Pegler Way	Tower Bridge House	
Crawley	St Katharine's Way	
RH11 4FZ	London	
	E1W 1DD	
Bankers		
The Royal Bank of Scotland plc		
PO Box 300		
Brighton		
BN1 9TE		
The Charity Bank Ltd		
Fosse House		
182 High Street		
Tonbridge		
Kent		
TN9 1BE		



Independent auditor's report to the Trustees

Opinion

We have audited the financial statements of YMCA DownsLink Group for the year-ended 31 March 2018 which comprise the consolidated statement of comprehensive income, the consolidated and charitable company balance sheets, the consolidated 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 Financial Reporting Standard 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 group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2018 and the Accounting Direction for Registered Providers of Social Housing 2015; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group 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.

Responsibilities of Trustees for the financial statements

As explained more fully in the statement of Trustees' responsibilities set out on page 33, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 trustees are responsible for assessing the group's and the parent charitable 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 Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

YMCA DOWNSLINK GROUP



Auditor's responsibilities for the audit of the financial statements

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable 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 Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

YMCA DOWNSLINK GROUP



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 (which includes the strategic report that the directors' prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which includes the strategic report and the directors' prepared for the purposes of company law).

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 by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Senior Statutory Auditor) For and on behalf of haysmacintyre, Statutory Auditors

10 Queen Street Place London EC4R 1AG

SECTION C: Financial Accounts and Statements

Consolidated Statem	ent of	Comprehen	sive Incom	ne, for Year En	ded 31 March	2018
	Notes	Social Housing Activities	Trading Activities	Charitable Activities and Other Income	2018 Total	2017 Total
		£	£	£	£	£
Turnover from continuing op	erations					
Social housing lettings	2	7,818,548	-	-	7,818,548	8,636,164
Trading activities	10	-	593,486	-	593,486	530,854
Charitable activities and other income	4	-	-	3,016,595	3,016,595	2,952,179
	_	7,818,548	593,486	3,016,595	11,428,629	12,119,197
Operating costs						
Social housing lettings	3	(7,370,415)	-	-	(7,370,415)	(7,840,786)
Trading activities		-	(570,147)	-	(570,147)	(527,425)
Charitable activities and other costs	5	-	-	(3,176,250)	(3,176,250)	(3,204,688)
		(7,370,415)	(570,147)	(3,176,250)	(11,116,812)	(11,572,899)
Operating surplus / (deficit)		448,133	23,339	(159,655)	311,817	546,298
Interest receivable and other in	come	-	-	5,202	5,202	8,124
Interest payable and similar cha	arges	(31,863)	-	-	(31,863)	(30,804)
Unrealised gain / (deficit) on investments		-	-	-	-	787
Disposal of properties		-	-	71,583	71,583	2,345,252
Surplus / (Deficit) on ordinary activities		416,270	23,339	(82,870)	356,739	2,869,657
Net movement in funds	_	416,270	23,339	(82,870)	356,739	2,869,657

The consolidated income and expenditure of the Charity and its subsidiary relate wholly to continuing operations.

These financial statements were approved and authorised for issue by the Directors on 12 September 2018 and signed on their behalf by:

John Slater (Chair) 12 September 2018

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Ingrid Beatty (Vice Chair) 12 September 2018

The notes set out on pages 43 to 54 form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2018

Registered number: 3853734

		20:	18	20	17
	Notes	Group	Charity	Group	Charity
		£	£	£	£
FIXED ASSETS					
Social housing properties	9	17,991,762	17,991,762	15,585,767	15,585,767
Other properties	9	489,220	489,220	698,307	698,307
Other tangible assets	9	269,298	269,298	278,720	278,720
		18,750,280	18,750,280	16,562,794	16,562,794
Investment in subsidiary	10	-	2		2
		18,750,280	18,750,282	16,562,794	16,562,796
CURRENT ASSETS					
Stocks	12	2,572	2,572	1,780	1,780
Debtors	13	1,044,878	983,279	866,232	896,362
Investments	11	-	-	5,594	5,594
Cash at bank and in hand	_	2,507,751	2,373,309	2,203,235	2,130,773
		3,555,201	3,359,160	3,076,841	3,034,509
CREDITORS					
Amounts falling due within one year	14	(3,347,552)	(3,184,853)	(2,981,106)	(2,948,776)
NET CURRENT ASSETS	_	207,649	174,307	95,735	85,733
TOTAL ASSETS LESS CURRENT LIABILITIES		18,957,929	18,924,589	16,658,529	16,648,529
CREDITORS					
Amounts falling due after one year	15	(9,581,728)	(9,581,728)	(7,639,067)	(7,639,067)
NET ASSETS	-	9,376,201	9,342,861	9,019,462	9,009,462
FUNDS					
FUNDS					
Unrestricted funds	17	9,314,723	9,281,383	8,956,654	8,946,654
Restricted funds	16	61,478	61,478	62,808	62,808
	=	9,376,201	9,342,861	9,019,462	9,009,462

These financial statements were approved and authorised for issue by the Directors on 12 September 2018 and signed on their behalf by

John Slater (Chair) 12 September 2018

6

Ingrid Beatty (Vice Chair) 12 September 2018

The notes set out on pages 43 to 54 form part of these financial statements

Consolidated Statement	of Cas	h Flows for	Year Ended	31 March 2018	
		20	18	2017	
	Notes				
		£	£	£	£
Cash flow from operating activities					
Surplus for the year			356,739		2,869,657
Adjustments for non-cash items:					
Depreciation	8	420,176		390,383	
(Increase) in stocks		(792)		(285)	
(Increase) / decrease in debtors		(178,645)		86,368	
Increase in creditors		338,633		522,458	
(Surplus) on disposal of property		(71,583)		(2,345,252)	
Deficit/(Surplus) on disposal of other assets		78,525		(62,900)	
Pension costs less contributions payable		(67,476)		(10,139)	
Government grants utilised in the year		(60,694)		(37,473)	
Unrealised investment loss / (gain)		-		(792)	
Interest payable		31,863		30,804	
Interest receivable	_	(5,202)		(8,124)	
			484,805		(1,434,952)
Net cash inflow/(outflow) from operating activities			841,544		1,434,705
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	(2,890,904)		(8,692,946)	
Sale of tangible fixed assets		276,300		3,450,121	
Grants received		1,098,643		5,733,028	
Interest received		5,202		8,124	
Sale of investments		5,594		-	
	-		(1,505,165)		498,327
Cash flow from financing activities:					
Loan interest paid		(31,863)		(30,804)	
Repayment of borrowings		-		(1,416,719)	
New secured loan		1,000,000		500,000	
	-		968,137		(947,523
Increase in cash in the year			304,516		985,509
· · · · · · · · · · · · · · · · · · ·					
Reconciliation of net cash flow to me	ovement	in net cash fun	ds		
Net cash funds at beginning of year			2,203,235		1,217,726
Change in net funds during the year			304,516		985,509
Net cash funds at end of the year			2,507,751		2,203,235

1 ACCOUNTING POLICIES

a) Status

YMCA DownsLink Group Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE. It is also registered as a charity with the Charity Commission in England and Wales (number 1079570) and as a Registered Provider of Social Housing with the Homes and Communities Agency in England (number 4644).

The charity meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102).

Basis of Preparation

The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102, and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the Trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

Basis of accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are re-measured at each balance sheet date.

The main areas of estimation and judgement affecting the accounts:

• depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

- accrual for deficit contribution to the defined benefit pension scheme
 As set out in note 1(g) a liability is recognised in respect of the present value of the expected future
 contributions to alleviate the pension deficit arising from past service. The liability recognised is affected
 by the discount rate applied and the undiscounted underlying liability will also vary depending on the
 results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed
 as at 1 May 2017 and the resulting changes to the schedule of contributions are included in YMCA
 DownsLink's financial statements for the year ended 31 March 2018.
- provisions

Full provision is made for the value of all personal debts relating to past residents in YMCA DownsLink's Housing projects. It is possible that some of these amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where is it considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.

No complex financial instruments are held.

YMCA DLG is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DLG Services Ltd is included on a line by line basis.

Going concern

Having had regard to the group's financial position and its forecast financial performance and cash flows, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

b) Turnover

Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and the Homes and Communities Agency, contracts and charitable receipts, all net of vat.

c) Supporting People Contract

The charity receives funding from Supporting People which is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

d) Donations and grants

Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).

e) Investment income

Investments are included in the financial statements at market value.

f) Empty Homes

The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

g) Pension costs

YMCA DLG participated in a multi-employer defined benefit pension plan for employees of YMCAs 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 DLG.

As described in note 20, YMCA DLG has a contractual obligation to make pension deficit payments over the period to April 2027. Accordingly, the present value of the liability is shown in note 20 to these accounts.

In addition, YMCA DLG is required to contribute £13,245 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

h) Fixed Assets

i) Housing Properties

Definition and recognition

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed cost on adoption of FRS102.

Depreciation:

The major components of the properties are identified and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight line basis over the following number of years:

Structure	50 - 100
Pitched Roof	50 - 75
Flat Roof, Windows, External Doors	25 - 30
Wiring, lift and heating systems	10 - 30
Bathrooms	5- 25
Kitchens	20

Freehold land is not depreciated.

Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the property's carrying amount to its recoverable amount. Where the carrying amount of a property is deemed to exceed its recoverable amount, the property is written down and the resulting impairment loss recognised as operating expenditure.

Expenditure on existing housing properties is capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general repairs is charged to the income and expenditure account as it is incurred.

ii) Other Fixed Assets

Cost:

Individual fixed assets costing ± 500 or more and are of a capital nature for ongoing use by YMCA DLG are capitalised.

Depreciation:

Other fixed assets are depreciated in order to write off each asset over its estimated useful life at the following annual rates:

Freehold Land	Not depreciated
Motor Vehicles	25% on reducing balance basis
Fixtures, Fittings and Equipment	10 - 25% on cost
Leasehold Improvements	25 % on cost or over the remaining life of the lease whichever is shorter
Cycles	100% on cost

i) Stocks

Stocks are consistently valued at the lower of cost and net realisable value.

j) Volunteers, Donated Services and Facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report

k) Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged directly where possible or apportioned as part of central costs.

I) Operating Leases

The charity classifies the lease of printing, photocopy, and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whist the economic life of such equipment is normally in excess of this. Rental charges are charged on a straight line basis over the term of the lease.

m) Commitments

Commitments which are legally binding are included as liabilities.

n) Taxation

The Charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

o) Funds and Reserves

The Charity has various types of funds for which it is responsible and require separate disclosure:

Unrestricted reserves

Unrestricted reserves are reserves which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Restricted Reserves

Restricted reserves are funds which are expendable as directed by the donor.

Revaluation reserves

Revaluation reserves arise when investments are revalued.

	2018	2017
	£	£
Rent and Service charges:		
Rent and eligible service charge receivable	4,922,931	4,863,368
Personal service charge receivable	288,466	298,200
Amortised Government grant	60,694	37,473
	5,272,091	5,199,041
Other revenue:		
Supporting people	1,546,143	1,665,195
Empty homes development income	302,745	250,603
Other social housing income	697,569	620,825
Grants received on purchase of Y Centres *	-	900,500
	7,818,548	8,636,164
Rent and service charge losses from voids	(342,210)	(272,238)

*This represents the grants that were received from Y England on the purchase of the Eastbourne and Horsham Y Centres and have been treated as revenue as directed by the Housing SORP.

3. OPERATING COSTS FROM HOUSING ACTIVITIES

Managed Housing – number of units included in above total103103Mousing Services103103Housing Support3,781,1373,880,51Housing Support1,555,3681,575,88Share of central overheads1,270,3641,376,37Development costs109,677152,23Repairs and maintenance243,343241,96Rent losses from bad debts and provision43,398287,43Depreciation of housing properties305,769250,54Depreciation of housing assets61,35975,83		2018	2017
above total 103 100 above total £ 100 100 Housing Services 3,781,137 3,880,51 1,555,368 1,575,88 Housing Support 1,555,368 1,575,88 1,575,88 1,376,37 Share of central overheads 1,270,364 1,376,37 152,23 Development costs 109,677 152,23 Repairs and maintenance 243,343 241,96 Rent losses from bad debts and provision 43,398 287,43 Depreciation of housing properties 305,769 250,54 Depreciation of housing assets 61,359 75,83	Housing accommodation – number of units	634	571
Housing Services 3,781,137 3,880,51 Housing Support 1,555,368 1,575,88 Share of central overheads 1,270,364 1,376,37 Development costs 109,677 152,23 Repairs and maintenance 243,343 241,96 Rent losses from bad debts and provision 43,398 287,43 Depreciation of housing properties 305,769 250,54 Depreciation of housing assets 61,359 75,83	5 5	103	103
Housing Support 1,555,368 1,575,88 Share of central overheads 1,270,364 1,376,37 Development costs 109,677 152,23 Repairs and maintenance 243,343 241,96 Rent losses from bad debts and provision 43,398 287,43 Depreciation of housing properties 305,769 250,54 Depreciation of housing assets 61,359 75,83		£	£
Share of central overheads1,270,3641,376,37Development costs109,677152,23Repairs and maintenance243,343241,96Rent losses from bad debts and provision43,398287,43Depreciation of housing properties305,769250,54Depreciation of housing assets61,35975,83	Housing Services	3,781,137	3,880,516
Development costs109,677152,23Repairs and maintenance243,343241,96Rent losses from bad debts and provision43,398287,43Depreciation of housing properties305,769250,54Depreciation of housing assets61,35975,83	Housing Support	1,555,368	1,575,888
Repairs and maintenance243,343241,96Rent losses from bad debts and provision43,398287,43Depreciation of housing properties305,769250,54Depreciation of housing assets61,35975,83	Share of central overheads	1,270,364	1,376,375
Rent losses from bad debts and provision43,398287,43Depreciation of housing properties305,769250,54Depreciation of housing assets61,35975,83	Development costs	109,677	152,236
Depreciation of housing properties 305,769 250,54Depreciation of housing assets 61,359 75,83	Repairs and maintenance	243,343	241,967
Depreciation of housing assets 61,359 75,83	Rent losses from bad debts and provision	43,398	287,430
	Depreciation of housing properties	305,769	250,540
7,370,415 7,840,78	Depreciation of housing assets	61,359	75,834
		7,370,415	7,840,786

4.	TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME		
		2018	2017
		£	£
	Sports, Youth and Community	559,936	619,366
	Therapeutic Services	1,161,591	971,449
	Support Services: Children, Young People and Families	980,617	917,585
	Horsham YMCA Football Club	49,709	66,820
	Lewes and District YMCA Activities	-	135,974
	Other Income	264,742	240,985
		3,016,595	2,952,179

5.	OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS		
		2018	2017
		£	£
	Sports, Youth and Community	756,224	842,717
	Therapeutic Services	1,304,827	968,908
	Support Services: Children, Young People and Families	891,472	1,149,936
	Horsham YMCA Football Club	95,466	77,246
	Lewes and District YMCA Activities	-	165,881
	Other costs	128,261	-
		3,176,250	3,204,688
6.	STAFF COSTS		
		2018	2017
		£	£
	Salaries and wages	5,790,903	5,881,693
	Social security	468,705	471,456
	Pension costs	139,132	210,770
	Apprentice Tax	14,131	-
	Life Assurance	27,837	23,221
	Healthcare	15,783	14,860
	Redundancy/Compensation	47,391	37,563
		6,503,882	6,639,563
	The average number of employees paid during the year was:		
	Full Time and Part Time Employees	336	346
	Full Time equivalent	231	239
	The full time equivalent number of staff receiving remuneration, excluding pension o	ontribution in excess	of £60.000:
	£60,000 - £69,999	1	
	£70,000 - £79,999	-	-
	£80,000 - £89,999	1	1

EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM 7.

None of the Directors received any remuneration in the current or prior year. Three Directors (2017: three) received reimbursed expenses for travel costs amounting to £1,516 (2017: £1,104). The Charity has Directors' and Officers' Liability insurance in place.

The aggregate emoluments of the Executive Team were £360,214 - 4.8 FTE (2017: £379,373 5.8 FTE). The remuneration of the Chief Executive comprised salary of £85,417, pension contributions of £12,813 and private health insurance of £549. (2017 £82,500, £12,375 and £478 respectively). The Chief Executive is a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

OPERATING SURPLUS 8.

The operating surplus is stated after charging:	2018	2017
	£	£
Rent and Service charge losses from bad debts	43,152	137,823
Operating Leases - equipment	26,331	30,276
- land and buildings	849,905	713,374
(Deficit)/Surplus on sale of fixed assets	(6,942)	2,408,152
Depreciation of equipment, fixtures & fitting, motor vehicles	106,311	126,338
Depreciation of properties and components	313,865	264,045
Auditor's remuneration: External audit	21,015	22,790

9. FIXED ASSETS

	Social	Other
	Housing	Properties
	Properties	
	£	£
Cost		
1 st April 2017	16,562,513	733,147
Additions	2,790,258	-
Disposals	(605,653)	(210,000)
31 st March 2018	18,747,118	523,147
Depreciation		
1 st April 2017	976,746	34,840
Charge for the year	305,769	8,096
Eliminated on disposal	(527,159)	(9,009)
31 st March 2018	755,356	33,927
Net Book Amount		
31 st March 2018	17,991,762	489,220
31 st March 2017	15,585,767	698,307
	2018	2017
Properties at cost comprise:	£	£
Freeholds	12,830,845	11,597,543
Long leaseholds	6,439,420	5,698,117
Cost of properties	19,270,265	17,295,660

Redevelopment of Midwey House, rebranded as Guildford Foyer, was completed during the year. The balance of the social housing grant, \pounds 761,143 was received. The refurbishment of Crawley Foyer took place during the year with the first tranche of the social housing grant, \pounds 337,500 received.

OTHER TANGIBLE FIXED ASSETS

		Fixtures,	
	Vehicles	Fittings and	Total
		Equipment	
	£	£	£
Cost			
1 st April 2017	99,525	820,185	919,710
Additions	12,485	88,161	100,646
Disposals	(5,676)	(36,392)	(42,068)
31 st March 2018	106,334	871,954	978,288
Depreciation			
1 st April 2017	60,755	580,235	640,990
Charge for the year	13,880	92,431	106,311
Eliminated on disposals	(3,017)	(35,294)	(38,311)
31 st March 2018	71,618	637,372	708,990
Net Book Amount			
31 st March 2018	34,716	234,582	269,298
31 st March 2017	38,770	239,950	278,720

10. INVESTMENTS IN SUBSIDIARIES

The wholly controlled company Lewes and District YMCA incorporated in England and Wales was dissolved on 22 May 2018. The assets were transferred to YMCA DLG during the previous financial year:

	2018	2017
	£	£
Grants, donations and project income	-	115,722
Rental income	-	21,002
	-	136,724
Total resources expended	-	(200,104)
	-	(63,380)
Interest receivable	-	2,787
Disposal of property	-	1,812,569
Charitable donation to YMCA DownsLink Group	-	(1,751,976)
Surplus for the period	-	-

The wholly owned trading subsidiary, YMCA DLG Services Limited, which is incorporated in England and Wales pays its profits chargeable to corporation tax to the charity by gift aid. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

Turnover	593,486	527,946
Grants released in year	-	2,908
Cost of sales and administrative expenses	(570,147)	(527,425)
	23,339	3,429
Charitable donation to parent undertaking arising from the period ended 31 st March 2017	-	(3,429)
Net Profit	23,339	

11. INVESTMENTS

	2018		2017		
	Market Value	Cost	Market Value	Cost	
	£	£	£	£	
Santander	-	-	588	100	
Santander shares received in lieu of dividends	-	-	4	-	
COIF – Charities Investment Fund	-	-	5,002	453	
	-	-	5,594	553	

During the year the investments that had been donated from Lewes and District YMCA were liquidised.

12. STOCKS

	201	8	2017	
	Group	Charity	Group	Charity
	£	£	£	£
Food, household stocks and paint	2,572	2,572	1,780	1,780

13. DEBTORS

	2	018	2	2017		
	Group	Charity	Group	Charity		
	£	£	£	£		
Arrears of accommodation charges	248,924	248,924	357,267	357,267		
Prepayments	87,845	87,720	88,183	86,683		
Other debtors	708,109	620,641	420,782	415,995		
Amounts owed by subsidiary undertakings	-	25,994	-	36,417		
	1,044,878	983,279	866,232	896,362		

14. CREDITORS

Amounts falling due within one year	20:	18	2017		
	Group	Charity	Group	Charity	
	£	£	£	£	
Deferred Income	1,645,109	1,541,833	1,037,540	1,037,540	
Other creditors	801,395	801,257	915,563	915,425	
Trade creditors	528,398	498,609	717,427	700,679	
Social security and other taxes	151,439	151,439	136,746	136,746	
VAT creditor	59,613	30,117	40,044	24,600	
Pension deficit	74,920	74,920	72,737	72,737	
Housing Grants	86,678	86,678	61,049	61,049	
	3,347,552	3,184,853	2,981,106	2,948,776	

15. CREDITORS

Amounts falling due after one year	2018		2017	
	Group	Charity	Group	Charity
	£	£	£	£
Bank loans – Not wholly repayable within five years	1,500,000	1,500,000	500,000	500,000
Deferred Income – grants in advance	-	-	-	-
Defined Benefit Pension Deficit	592,285	592,285	661,944	661,944
Housing Grants	7,489,443	7,489,443	6,477,123	6,477,123
=	9,581,728	9,581,728	7,639,067	7,639,067
Loan Maturity Analysis				
In more than one year but not more than two years	47,539	47,539	1,812	1,812
In more than two years but not more than five years	151,046	151,046	43,478	43,478
In more than five years	1,301,415	1,301,415	454,710	454,710
	1,500,000	1,500,000	500,000	500,000

There is a loan facility in place with the Charity Bank for $\pounds 2.5m$ at a rate of 2.25% plus base. The loan is secured on Crawley and Worthing Foyers. At 31 March 2018 $\pounds 1,500,000$ had been drawn down.

16.	RESTRICTED FUNDS – GROUP					
		1 April 2017	Income	Expenditure	Transfer to unrestricted reserves	31 March 2018
	Funds	£	£	£	£	£
	Special Needs Reserve	4,928	-		-	4,928
	Young Homeless Fund	1,258	-	-	-	1,258
	Peter Standing Memorial Fund	1,330		(1,330)	-	-
	Legacy – Horsham Y Centre	55,292	-		-	55,292
	Total	62,808	-	(1,330)	-	61,478

RESTRICTED FUNDS – CHARITY

RESTRICTED FORDS CHARTER					
	1 April 2017	Income	Expenditure	Transfers	31 March 2018
Funds	£	£	£	£	£
Special Needs Reserve	4,928	-		-	4,928
Young Homeless Fund	1,258	-	-	-	1,258
Peter Standing Memorial Fund	1,330	-	(1,330)	-	-
Legacy – Horsham Y Centre	55,292	-	-	-	55,292
Total	62,808	-	(1,330)	-	61,478

Restricted Funds

Special Needs Reserve – to fund exceptional requirements for those in supported housing Young Homeless Fund – to fund temporary accommodation for the young homeless people of Guildford Peter Standing Memorial Fund - at the request of Peter Standing's family the balance of the fund has been transferred to Igreja Batista do Evangelho Vivo Church in Brazil that works with deprived families and children Horsham Y Centre Legacy – to be spent on activities or equipment that will benefit the young people of Horsham

17. RESERVES – GROUP

	1 April 2017	Income	Expenditure	Transfers	31 March 2018
	£	£	£	£	£
Unrestricted funds:					
General reserve	164,782	11,648,137	(10,918,383)	(586,767)	307,769
Fixed asset reserve	9,524,622	60,694	(427,118)	515,961	9,674,159
Pension reserve	(734,681)	-	-	72,737	(667,205)
Investment revaluation reserve	1,931	-	-	(1,931)	-
Total unrestricted funds	8,956,654	11,708,831	11,345,501	-	9,314,723
Restricted funds	62,808	-	(1,330)	-	61,478
	9,019,462	11,708,831	(11,352,092)	-	9,376,201

RESERVES – CHARITY

	1 April 2017	Income	Expenditure	Transfers	31 March 2018
	£	£	£	£	£
Unrestricted funds:					
General reserve	154,782	11,054,650	(10,348,236)	(586,767)	274,429
Fixed asset reserve	9,524,622	60,694	(427,118)	515,961	9,674,159
Pension reserve	(734,681)	-	(5,261)	72,737	(667,205)
Investment revaluation reserve	1,931	-	-	(1,931)	-
Total unrestricted funds	8,946,654	11,115,344	10,780,615	-	9,281,383
Restricted funds	62,808	-	(1,330)	-	61,478
	9,009,462	11,115,344	(10,781,945)	-	9,342,861

Within the fixed asset reserve is a revaluation amount of £2,547,827 relating to Crawley Foyer and Guildford Y Centre introduced on adoption of FRS102.

18. GUARANTEES

As part of its direct charitable work, YMCA DLG provides Letters of Guarantee to landlords to provide limited cover against lost rent and/or damage to property. The likely liability for guarantees in place at 31^{st} March 2018 is under £1,000. This system enables more places to be facilitated with minimal exposure.

A parent guarantee exists between the Charity and YMCA DLG Services Ltd for the Counselling contract with West Sussex County Council for the provision of a Children and Young People's Emotional Wellbeing and Mental Health Early Intervention Counselling Service that operates through the Trading Company.

There is no provision for guarantees which may be called upon within these financial statements.

19. MEMBERS

YMCA DLG is limited by guarantee having no share capital. In accordance with the Memorandum of Association every Member is liable to contribute a sum of $\pounds 1$ in the event of the charity being wound up.

20. PENSION COMMITMENT

YMCA DLG 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 DLG 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% (for RPI capped at 5% p.a.), 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 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 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. YMCA DLG has been advised that it will need to make monthly contributions of £6,258 from 1 May 2018. 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 9 years commencing 1st May 2017.

The table below sets out the value of the liabilities included in the Balance Sheet

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2018 £'000	TOTAL 2017 £′000
As at 31 March 2018	74,920	73,291	221,550	297,444	592,285	667,205	-
As at 31 March 2017	72,737	71,503	217,832	372,609	661,944	-	734,681

In addition, YMCA DLG 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 DLG may be called upon to pay in the future.

Supplementary to the above scheme, employees starting with Sussex Central YMCA after 1 April 2001 were eligible to join a stakeholder pension scheme, which is a defined contribution scheme, into which the Charity pays contributions. The employee could elect to pay any sum up to legal thresholds but with a minimum contribution of £20 per month. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The scheme is administered by Legal and General. In addition those employees who were in the YMCA Pension Plan and members of the Leadership Team make contributions of 8% of salary to the stakeholder pension scheme and the employer's contribution is 15%. During the period a total of 35 employees benefited from the scheme at a cost of $\pm 96,938$.

In 1998 Guildford YMCA commenced a scheme with Prudential. This is a group personal plan arrangement. The contributions are expressed as a percentage of an employee's salary. The average number of employees in this scheme during the year was 1 (2017: 1) and costs for the year were £133 (2017: £186).

In 2007 Guildford YMCA commenced a scheme with Aviva. This is also a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £6,254 (2017: £9,345) in respect of 7 employees (2017:10).

With the introduction of auto enrolment, the schemes were closed to new entrants on 31 January 2014 and the Charity now offers a stake holder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £20,173 relating to all the schemes that was settled the following month.

21. **OPERATING LEASE COMMITMENTS**

The future minimum lease payments of leases are as set out below.

	2018 £	2017 £
Land and Buildings:		
Within one year	878,369	724,986
Between one and five years	1,711,616	1,344,857
In more than five years	277,079	72,038
	2,867,064	2,141,881
Equipment:		
Within one year	9,469	13,145
Between one and five years	-	9,469
In more than five years	-	
	9,469	22,614

22. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2018 YMCA DLG had the following related and associated undertakings:

	Relationship	Status	Regulated by Social Housing Regulator	
Lewes and District YMCA	Controlled	Charitable Company	Non-regulated	
YMCA DLG Services Ltd	100% subsidiary	Trading Company	Non-regulated	

Lewes and District YMCA donated their net assets to YMCA DLG during the year ending the 31 March 2017, and was dissolved on 22 May 2018 and removed from the Charity Commission's register on 5 June 2018.

23. CONTINGENT LIABLITIES

At the 31 March 2018 there were contingent liabilities in respect of grants received in relation to the following properties:

- Crawley Foyer Social Housing Grant of £760,640 and Local Authority Grant of £1,500,226
- Worthing Foyer Social Housing Grant of £823,632
- Guildford Y Centre Social Housing Grant of £3,050,481
- Guildford Foyer Social Housing Grant of £2,021,986
- Horsham Y Centre Social Housing Grant of £4,057,690
- Eastbourne Y Centre Social Housing Grant of £771,910

There is potential for repayment or recycling of these grants in the event the sites are disposed of and/or taken out of social housing use. All these assets remain in social housing and the organisation has no plans to change the status of these sites.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England and Wales, grants were received for £873,000 and £247,500 respectively. If YMCA DLG resigns as a member of YMCA England and Wales Federation, or disassociates itself from the organisation, or ceases to participate in any of its operations, the grants will become refundable. It is considered unlikely that this will occur.

24. CAPITAL COMMITMENTS

At the year end there were no capital commitments.