



YMCA  
DOWNSLINK GROUP

# Trustees' Annual Report & Accounts

2015/16

(A Company Limited by Guarantee)  
Registered company number: 3853734  
Registered charity number: 1079570  
Registered housing provider: 4644



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## TRUSTEES' ANNUAL REPORT

The trustees have pleasure in presenting their report and financial statements for the year ended 31 March 2016. This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008.

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Registered Office

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

**Charity Number** 1079570

**Company Number** 3853734

**HCA Registered Number** 4644

#### Directors/Board of Management

|                  |                                    |
|------------------|------------------------------------|
| John Slater      | Chair from 14 Sep 2015             |
| Peter Jeffrey    | Resigned as Chair 14 Sep 2015      |
| Richard Smillie  | Resigned as Vice Chair 14 Sep 2015 |
| Peter McMahon    |                                    |
| Stuart Stokes    | Resigned 14 Sep 2015               |
| Ingrid Beatty    | Vice Chair from 14 Sep 2015        |
| Deborah Pepper   |                                    |
| Andrew Wilson    |                                    |
| James Lister     |                                    |
| Richard Nerurkar |                                    |

#### Finance and Audit Committee:

|                |                   |
|----------------|-------------------|
| Don Bawtree    | Independent Chair |
| Carol Long     | Independent       |
| Andrew Carvell | Independent       |
| Peter Jeffrey  | Trustee           |
| Peter McMahon  | Trustee           |

#### People and Participation Committee:

|                |                   |
|----------------|-------------------|
| Ingrid Beatty  | Trustee and Chair |
| Deborah Pepper | Trustee           |
| Andrew Wilson  | Trustee           |

## Leadership Team

David Standing  
Charles Walker

Peter Brayne

Rachel Brett  
Anne Cairns  
Ann Longhurst  
Fiona Hall  
Angie Higgins  
Nicola Rowe  
Eleanor Clarke

Chief Executive Officer (to 31 Aug 15)  
Chief Executive Officer (from 1 Sep 15) previously  
Executive Director of Operations  
Executive Director of Partnerships and Business  
Support (to 31 May 15)  
Director of Children and Young People  
Director of Communities and Property (from Jan 16)  
Director of Finance  
Head of Human Resources  
Head of Housing Services  
Head of Housing Support  
Head of Quality, Compliance and Participation (from  
Dec 15)

## Advisers

The advisers to the charity during the year and thereafter have been:

### Solicitors

Trowers and Hamblins LLP  
Heron House  
Albert Square  
Manchester  
M2 5HD

### Company Secretary

Peter Brayne  
Wise Governance Ltd  
35 Old Palace Road,  
Guildford,  
Surrey  
GU2 7TX

### Principal Bankers

The Royal Bank of Scotland plc  
PO Box 300  
Brighton  
BN1 9TE

### Auditors

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

### Internal Auditors

MAZARS LLP,  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

## Chair's Introduction



John Slater, Chair of  
the Board of Trustees

It has been a year of continuing change and celebration for our organisation. After 24 years of service our long standing Chief Executive, David Standing, retired in September 2015. David has successfully overseen and steered the development of our organisation from a local YMCA running a small youth centre in Hove, Sussex to one of the largest YMCAs in the country providing services to 15,000 young lives across Sussex and Surrey. It was great to celebrate his achievements with colleagues, partners and supporters. I was so pleased when Brighton and Hove City Council organised a Mayoral reception to acknowledge David's outstanding contribution to the city.

As well as David's retirement, Peter Jeffery decided to step down as Chair of YMCA DownsLink Group due to increasing governance commitments on our National Federation Board and involvement in the international YMCA World Governing Body. Richard Smillie has also stepped down as Vice Chair to be succeeded by Ingrid Beatty. I am pleased that both Peter and Richard have agreed to remain trustees of the organisation with their invaluable knowledge and commitment to the work of the YMCA.

Following a rigorous and competitive process, I and my fellow trustees were pleased to be able to appoint Chas Walker to the role of Chief Executive of the organisation. Chas has worked as David's deputy for seven years and brings a wealth of experience, strong leadership skills and fresh thinking to the role that will be invaluable as we continue to evolve in a fast changing external environment.

I am pleased to introduce an annual report which shows how successful we have been in continuing to grow and develop our services for young people even in a challenging external environment. We were really excited to secure a significant county-wide community counselling contract in West Sussex this year. The mental health of young people is never far from the front pages of the news and it is great to be involved in a project focused on early intervention through accessible venues and youth friendly environments.

We started the year with a challenging budget position that included the costs associated with a continuing internal change management process following merger in 2014. The Board is pleased with the work of the Leadership Team in managing a challenging budget as well as dealing with additional budget pressures that emerged through the year. We ended the year with an operating deficit of £214k (after merger related exceptional costs of £143k) which was in line with our forecast and demonstrated year on year progress towards an annual operating surplus.

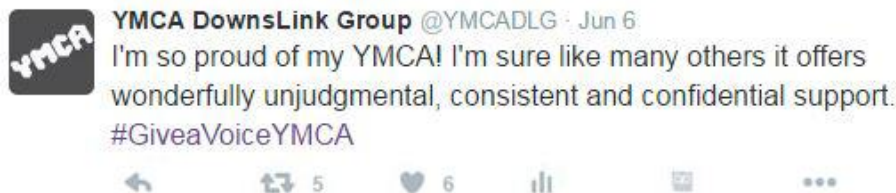
I am very grateful for the commitment of my colleagues on the Board and for the hard work and commitment shown by the organisation's Leadership Team, and all our staff and volunteers during another challenging and encouraging year. I am looking forward in anticipation to the coming year with the formal launch of our new strategic plan: *Youth Minded Community Approach*.

## Chief Executive's Introduction



It is a privilege and an exciting opportunity to lead such a dynamic organisation. The YMCA Movement was 172 years old in June 2016 and the vision of one man, George Williams, has led to YMCAs in 119 countries with over 55 million beneficiaries worldwide. We are in a time of unprecedented global and national change and I believe the role YMCAs can play in their local communities still remains as relevant and important as it did 172 years ago.

Our YMCA joined in the international birthday celebrations based on the theme of *172 years of giving young people a voice*. Has it ever been as important to make sure the voices of our young people are heard at a time of such change? It was fitting, on that day we handed over our twitter account to our Young People's Board and they spent the day tweeting on important issues that affect young people.



It has been a busy and productive year for the organisation. Alongside managing the leadership changes we have continued to build and strengthen the work of our organisation. Providing young people with a safe and secure place to live, with the support necessary to successfully transition into adulthood, has always been an important part of our work. Our continuing development as a Registered Provider and Investment Partner for the Homes & Community Agency (HCA) has enabled us to develop more accommodation and further meet the housing

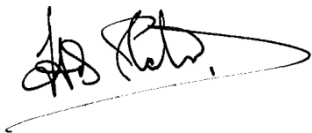
and support needs of young people across Sussex and Surrey. We were really pleased this year to secure a further £1.2 million of capital funding through the Government's Homelessness Change fund. The funding will support us to refurbish and further develop one of our housing schemes in Guildford, creating a modern Foyer with a strong focus on vocational learning, apprenticeships and employment for local young people.



Over the past 12 months, we have been working closely with our Board, considering the future development of our YMCA against an uncertain social and challenging economic environment. We know that our YMCA will need to change and evolve if we are to thrive and continue to *transform young lives*. I like to see change as an opportunity and not a threat, even in times when the external environment is not particularly helpful for Charities and Third Sector organisations. I believe that our new strategy, which we formally agreed with our Board in April 2016, provides a strong foundation for that change. I am pleased that our strategy continues to reflect the organisation's strong sense of mission and associated ambition. The Strategy has successfully built on the Federation's new vision and mission: *Youth Minded Community Approach*.

**John Slater**

Chair of the Board of Trustees



**Chas Walker**

Chief Executive Officer





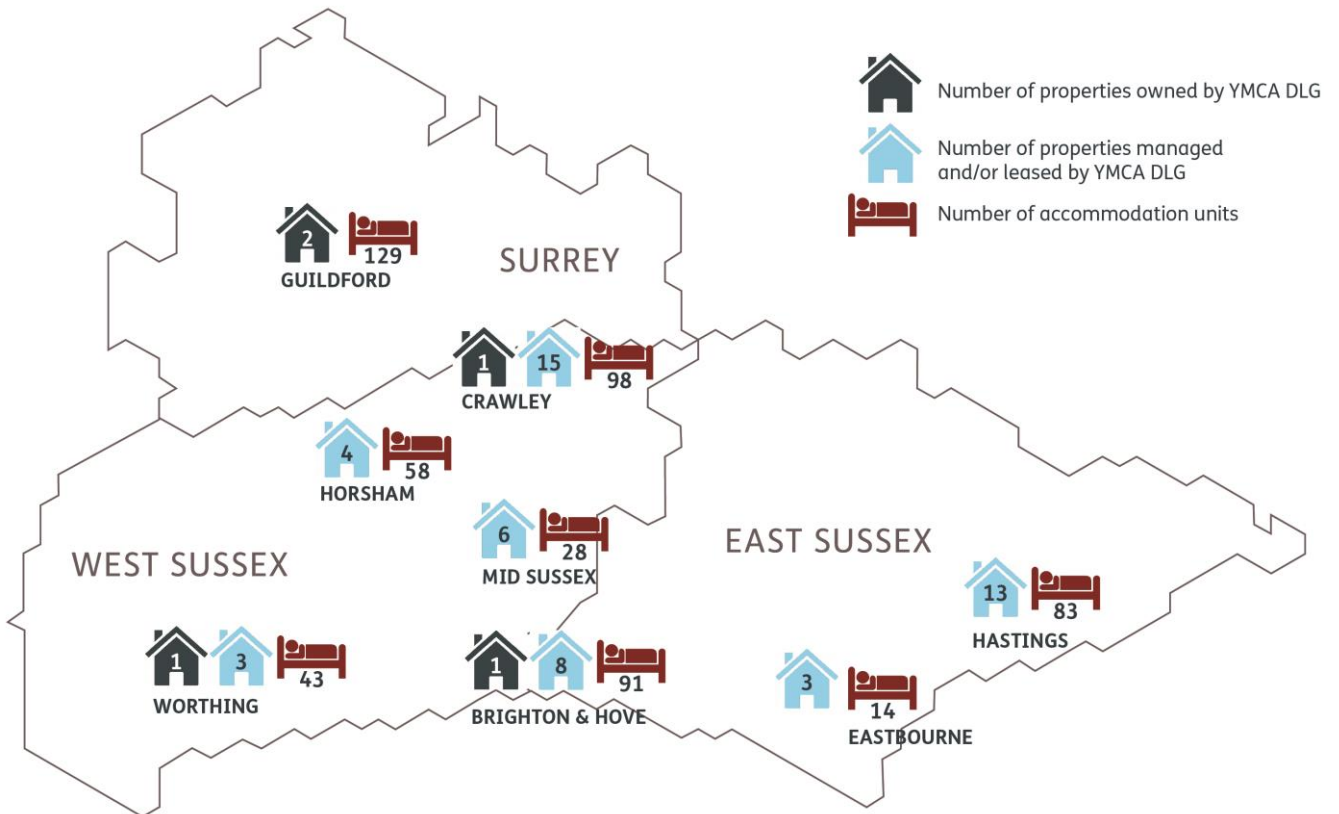
## SECTION A - IMPACT AND PERFORMANCE

### 1. OUR COMMUNITIES AND PROPERTY SERVICES



#### Scope of our Supported Housing Operation

- ▶ We own 5 properties with 200 units of accommodation
- ▶ We have short term leases, or management arrangements, on 49 properties with 330 units of accommodation
- ▶ We have 3 properties with 14 units of accommodation leased through the Empty Homes programme that are managed by YMCA Eastbourne and Wealden





## Our Highlights 2015-16

We have:

- ▶ Provided 794 young people with somewhere to live during the year
- ▶ Provided 670 young people with a housing support service that supported them towards independence
- ▶ Helped 166 young people move on in a planned way towards independent living
- ▶ Provided our residents with a maintenance service where 95% of repairs were carried out in line with our residents' charter
- ▶ Invested £21,000 of our charitable hardship fund helping our residents overcome financial hardship and supporting them towards economic independence
- ▶ Increased our stock by 12 units this year, making a total of 544 units of accommodation

In January 2016 Anne Cairns joined our organisation and brings a wealth of housing leadership experience to the organisation and is an important recruit to our Leadership Team.

The performance of our housing and housing support services remains strong, offering accommodation in both owned and managed housing stock across East and West Sussex and Surrey. We have successfully integrated our supported and student housing provision in Guildford this year, an initial step towards implementing a mixed model of housing for the future.

"Staff are warm and welcoming and motivate residents to become their full potential they want to be." (resident in YMCA DLG Client Satisfaction Survey)

Our housing services continue to perform in line with budget, with our rental income collection being on target at 95% of gross rent charged.

We are also continuing to add to our stock base. After a very strong previous year when we brought an additional 99 units of property back into use through our Empty Homes programme, we continued to build upon this in 2015/16 with a further 12 units acquired, in the first of a three year contract to deliver an additional 100 units. We have concentrated on building the development pipeline this year, to ensure that we fulfil our contract with the Homes and Communities Agency (HCA) over the three year period, in what has become a very competitive housing market. We also secured £1.2m funding towards the redevelopment of Midway House in Guildford which will enable us to upgrade 13 existing units and add a further 21 units of accommodation to our stock base.

Our property services team completed 1,963 recorded repairs, an increase on last year with an average of 95% of those repairs being completed within our target time scales. We know we still have some further work to do in improving our repairs service and this will remain an important focus for us.

We have implemented a new accommodation and property services software program called Pyramid. Our old software program no longer had the capacity to cope with the continuing

increase in our housing stock. The new software has improved our ability to effectively manage our repairs service and rent collection.

It was a mixed year for our Housing Support Services; we were unsuccessful in tendering for the renewal of an important housing related floating support contract in Brighton, which we had delivered for 13 years, but we gained a specialist accommodation and support contract for older looked after children in West Sussex. To enable the development of our housing support operation we have invested in new software called 'In-form'. This has been developed by Homeless Link and is fast becoming the industry standard as it integrates the 'outcome star' output measuring tool. We see this as an important investment allowing us to better measure and report on the impact of our housing support services.

The investment we have made in management software and our success in securing development funding has put us in a strong position to improve and grow our accommodation and support services.



*“The YMCA for me is my rock,  
my second chance. It has given  
me the opportunity to flourish in  
myself and in my day to day life”*

Ben

## 2. OUR CHILDREN AND YOUNG PEOPLE SERVICES

Rachel Brett,  
Director of Children &  
Young People



### Scope of our community services

We provide a wide range of targeted advice and support services, as well as learning and education opportunities, to children and young people across Sussex and Surrey.

### Our Highlights

- ▶ We provided counselling to over 8,300 children and young people
- ▶ We successfully relocated our Youth Advice Centre in Brighton to new shop front premises
- ▶ Our Alternative Education Programme had 99% achievement rate for their learners
- ▶ Our education, learning and vocational services worked with 73 young people
- ▶ Our advice teams in Brighton and Hove and West Sussex, saw 4,500 people accessing their services (the vast majority were young people, some parents were also supported)
- ▶ We helped over 740 people through our Safe Space project in Brighton and Hove, an increase of 40% on last year
- ▶ Our early years and out of school services provided care to more than 330 children

### 2.1 Our impact - Therapeutic and Family Services

*“YMCA Dialogue Counselling has helped me deal with my anger - making old friends new again. It has helped me to calm down when I have been upset and angry.”*

Rita



- ▶ We have counsellors in 74 schools and 15 community settings across Sussex, Brighton and Hove and West Surrey
- ▶ We provided counselling sessions throughout the year to more than 8,300 children and young people
- ▶ We provided school workshops delivered by our young Right Here volunteers directly to over 1,000 young people around emotional wellbeing
- ▶ We provided 17 workshops to different professionals across schools, NHS and local authority settings
- ▶ We have offered support to over 430 Brighton and Hove parents through over 2,000 consultations
- ▶ Our training programmes have increased to include Self Harm, Managing Stress and Mental Health issues for young people
- ▶ We provided mediation to over 30 families in order to prevent homelessness

*"I'm not holding in my feelings and then having bursts of sadness - I feel more stable"*

*"I have been able to let out all the things I have been thinking and feeling and now recognise how I may be able to help myself in the future"*

## 2.2 Our impact - Education and Vocational Learning



*"It's absolutely great having my mentor. You know you've got someone next to you, supporting you and it's not just you by yourself. It's nice to have someone who wants to help because I don't have much support."*

Lucy

- ▶ We have dedicated participation and engagement workers to encourage young people into training and employment programmes, as well as recreational activities
- ▶ Our Positive Placements project pairs mentors from local businesses with our residents, and supports them in to work placements. This scheme operates across the majority of our housing schemes, with a 60% success rate of moving young people from NEET (Not in Employment, Education or Training) to employment, education or training.
- ▶ We have continued to achieve excellent outcomes with the children and young people with our Alternative Education programme in East Sussex and Surrey; 99% of our children and young people on the programme gained an accredited achievement (e.g. a Duke of Edinburgh award)

## 2.3 Our impact - Specialist Support Services



**Our WiSE project** raises awareness and provides support to sexually exploited children and young people in Brighton and Hove, East Sussex and Surrey. We have actively case worked 66 young people over the past year, and worked with a further 281 through group work, ensuring their safety and protection from exploitation. We work to build their resilience to exit exploitative relationships, working collaboratively with the police and social care to disrupt and prosecute perpetrators, and giving evidence in court.

We have trained over 1,250 professionals (from a wide variety of organisations that work with children and young people) to identify and respond to the signs of sexual exploitation and support them to embed good practice in their own organisations.

**Safe Space** is an integral support to the night time economy in Brighton, and seeks to protect those who may come to harm in the city centre. We offer a ‘safe haven’ for those who may be at risk, or vulnerable, with support from the Red Cross on Friday and Saturday nights. During the year, we focussed on proactive outreach through our Beach Patrol, working with clubs to prevent excessive drinking and tackling aggressive behaviour before it escalates.

In total we saw 741 individuals (which is 40% more than last year showing an increased need for the service), 71% of whom were under 25 (a 14% increase in this age group). Of these, 201 required first aid and 109 were prevented from requiring A & E referral.

**Right Here** is a young people’s volunteering project designed to improve young people’s emotional health and wellbeing through significantly influencing the design and commissioning of mental health services for young people.

Highlights from the past year include:

- ▶ Dog assisted ‘Walk and Talk’ programme in West Sussex
- ▶ Piloting a school’s workshop on the impact of social media on young people’s mental health

- ▶ Research projects focussing on young men and awareness of testicular cancer; risks of smoking; and on sexual exploitation
- ▶ Continuing to enhance and promote our national website designed to improve young people's access to mental health services (the website developed from a local resource to a national resource)

**Reaching Your Potential (Lottery funded)** is a project working across Sussex with young offenders coming out of custody. The project helped 40 young offenders adjust to their release, and to develop positive behaviours that reduce the risk of reoffending. The scheme has seen successful outcomes, and has widened its remit over the past year to work with new referring agencies.

### **Advice and Support Services**

Advice and support for young people is available through our central location in Brighton and Hove at YAC, our youth advice and support centre. In West Sussex we also offer advice and support through the Youth Homelessness Prevention Team (YHPT). In Brighton, YAC offers a single point of access for housing advice; sexual health advice; Child Sexual Exploitation (CSE); support with emotional wellbeing and mental health issues; health advice; money, debt and benefits advice; family mediation and advice on many other issues affecting young people. We work proactively with other professionals in relation to Early Help support and host a number of specialist providers to form a YIACS hub (Youth, Information, Advice, Counselling, Support).

In total, our advice services in Brighton and Hove and West Sussex, helped over 4,500 people during the year.

### **Childcare**

We provide childcare programmes in Horsham and from YMCA Lewes, part of YMCA DownsLink Group. The services include Ofsted Registered Breakfast Club, Out of School Clubs, Holiday Playscheme and Children's Day Nursery as well as providing out of school activities and support to other local play events. Our achievements include:

- ▶ Expanded our Out of School Club to collect from more schools doubling our intake and providing a new Breakfast Club serving two local Primary schools
- ▶ Successful Ofsted inspections across all our childcare settings
- ▶ Work with Prince's Trust to develop our outdoor space and gardens
- ▶ Childcare apprenticeships to local young people
- ▶ Volunteering experience including to SEN adults (Special Educational Need)
- ▶ Holiday care for SEN children in an integrated setting
- ▶ In total, care for 364 children and young people

## 3. OUR SUBSIDIARY UNDERTAKINGS

### 3.1 Lewes YMCA

We have continued to operate Lewes and District YMCA as a separate entity (an incorporated charity), serving the local community of Lewes through our YMCA Centre in the town and the associated childcare services and community facilities. Our nursery and other childcare services continue to operate an Ofsted rated 'good' service and this is valued by local families.

Our corporate simplification plan intends to transfer all the assets and liabilities of Lewes and District YMCA into the main charity.

### 3.2 Trading Company (Sussex Central YMCA (Trading) Ltd)

YMCA Downslink Group will wind up Sussex Central YMCA Trading Ltd by Dec 2016, as part of our corporate simplification plan. We have completed the transfer of the trading operation (comprising our charity shops) to our National Federation Body, YMCA England.

### 3.3 Trading Company (YMCA Downslink Group Services Ltd, formally Guildford YMCA Services Ltd)

In line with our corporate simplification plan we have renamed Guildford YMCA Services Ltd to YMCA Downslink Group Services Ltd. It is a wholly owned trading subsidiary with its own Board and a signed Management Agreement between the two entities.

The trading enterprise has and will continue to provide the charity with supportive income streams, where we choose to deliver commercial services outside our charitable objectives. It will also support our mission through being able to offer young people employment and training opportunities through our property and catering social enterprises.

"We are really delighted with the gardening help and they are such nice gentlemen and it is good experience for the youngsters." (Customer feedback, Guildford GLADE project)

### 3.4 Guildford YMCA

Guildford YMCA Ltd (an incorporated charity) merged into YMCA Downslink Group on 1 April 2014.

We completed the transfer of all assets into YMCA Downslink Group during the year. It was good to celebrate the history and work of Guildford YMCA Ltd at its final AGM, with partners, supporters, colleagues and friends. A new chapter now begins for YMCA Guildford with activities continuing in Guildford as before but now as part of YMCA Downslink Group.

## 4. OUR STAFF AND VOLUNTEERS

Fiona Hall,  
Head of HR and  
Communications



Our contracted staff and volunteers remain our most important organisational asset. We have seen a small contraction in our paid workforce from 438 last year to 404 (average number of employee records) this year, but we have seen an increase in the number of volunteers in our organisation, with volunteers representing 27% of our total staff numbers.

Maintaining a motivated workforce is essential to the health of our organisation. We are very aware that there are increasing levels of need and vulnerability amongst young people in our services, placing increasing demands on our staff. It has been important that we have continued to invest in the training and development of our workforce especially the trauma informed programme we put in place last year. This has been welcomed by staff and we are committed to becoming a fully trauma informed practice organisation.





## **4.1 Workforce Statistics**

Over the past year, our workforce averaged 404 employees, which is 7.8% less than the previous year. Our workforce for 2015-16 comprised 170 full time, 101 part time and 133 sessional staff. The decrease in our staff numbers has been in our full time and sessional staff. The proportion of our staff on part time contracts continued to increase following the pattern of last year.

Our annual staff turnover was 12%; the national average for the third sector is 14% (cited by Croner). We continue to monitor the reasons why people leave. Most people (79%) left for positive reasons such as career change or new job. We are working hard to understand where we can improve engagement with staff through our staff survey and other communications channels to minimise the number of people who leave for these reasons.

Over the year the average number of sickness days lost per employee across our workforce was 5.9. This is a 1% increase on last year. We have had a number of long term absences, of more than 3 months, which have had an impact on our figures and contributed significantly to the increase.

## **4.2 Staff Voice**

We continued our approach to seeking the views of our staff through the annual staff survey. Key points that came out of the process this year:

- ▶ We had a 71% response rate from contracted staff, which was above our 70% target
- ▶ 97% of our staff "were prepared to go the extra mile to ensure their job is done well"
- ▶ 91% of staff felt cared for at work, our second highest scoring question
- ▶ we had a 6% improvement in how well staff felt YMCA DLG is managed, to 71%
- ▶ We asked a number of wellbeing questions this year, following staff feedback from 2014/15. We were pleased that our overall staff satisfaction score with their wellbeing at work was 81%. However we know that there are stresses in some places, and are looking to implement a number of actions, and to learn more from staff about what these are
- ▶ Reflective Practice Supervision, which has been rolled out to all frontline staff and managers as part of our trauma informed approach to work, has been a welcome addition this year for staff

## 5. OUR QUALITY AND COMPLIANCE



Quality and Compliance is led by El Clarke in the new role of Head of Quality, Compliance and Participation. This role was developed to strengthen our quality assurance framework. At a governance level we have a Finance and Audit Committee which meets on a quarterly basis to review issues relating to quality and compliance and to make recommendations to the Board. In addition to this committee we have commissioned an independent audit firm, MAZARS, to provide us with a quality assurance service.

Our new information systems are now in place. Pyramid (rents and maintenance) is firmly established across the whole organisation with our services in Guildford joining in December 2015. This has helped us gather more accurate information on our voids, arrears, and our repairs and response rates.

A new case management system, called 'In-form', was launched in December 2015; all our accommodation projects use it, as well as some of our targeted support services. As we move into 2016-17 we feel confident that it will be able to produce important information on our service user outcomes as well as being an efficient shared system to audit the work that we do with our clients.

We have a plan in the coming year to map and measure the different ways that we evidence our impact in services that currently do not use In-form (for example, our therapeutic services and our alternative education programmes) and this will rest with the Head of Quality, Compliance and Participation who will be drafting a set of organisational KPIs that include service user outcomes.

### 5.1 Staff Training Programme

Our centralised training programme achieved the following:

- ▶ 646 training places filled in the year
- ▶ 298 of these places were on our mandatory training courses (Safeguarding and Equality and Diversity)
- ▶ Continuation of two e-learning courses (Fire Awareness and Child Safeguarding Awareness) and we also purchased a new e-learning course on Data Protection Awareness

As part of our strategic plan *Youth Minded Community Approach* we will continue to invest in staff training next year through the recruitment of a new Training and Participation Management role to enable staff and volunteers to feel supported and skilled at what they do.

## 5.2 Adopting a Trauma Informed Approach

We have continued to develop our work this year in becoming trauma informed (TI). We have been providing staff with the necessary skills and confidence to keep people safe in, and engaged with, our services. The roll out of the TI training and embedding Reflective Practice Supervision (RPS) groups has become an integral part of our TI approach. RPS groups are a safe space, independently facilitated, for staff to explore how their practice can be informed by knowledge and awareness of trauma; they provide additional support and time for reflection. We planned our RPS groups to ensure we were offering staff the right support for their work, which is often distressing and pressured.

Early findings from our TI Evaluation work by the University of Sussex suggests that staff understand and are able to apply trauma informed principles in their practice and to be mindful and reflective about the relationships and communication between themselves and their clients:

*“So they’ve (young people) had a huge amount of trauma and they come in and you feel like they’re asking you to fix everything and that feels massive to a worker, for me...And a lot of that is about reflection and thinking actually, it’s my responsibility to manage what that expectation is and to let them know what I can do, and probably 90% of the time people aren’t really asking for that. They are just asking for someone to listen and they’re not really asking for solutions”.* (YMCA DLG staff member)

The ability of the staff to recognise trauma, ask the right questions and not be afraid of their ability to respond to the answer is apparent in the numbers of disclosures about self-harming behaviours and suicidal ideation. The training we provide through Safe Talk & Applied Suicide Support Intervention training (ASIST) also is an integral part of the staff’s skills set.

Our commitment to ASIST and for YMCA DLG to be a suicide safe organisation was also recognised through an award from Grassroots; the Brighton based suicide awareness training and campaigning organisation.

## 5.3 Quality Assurance Framework

We have been working hard this year to add to our existing quality assurance framework and we have:

- ▶ Successfully renewed two quality marks: CHAS (Certificate in Health and Safety) and ISO 9001:2008 (for management of our services) and plan to upgrade to ISO 9001:2015 in the next year
- ▶ Updated and amended our Quality Manual which clearly outlines our quality improvement processes and management infrastructure
- ▶ Re-accredited Worthing and Crawley Foyer supported housing quality marks
- ▶ Re-accredited our British Association of Counselling and Psychotherapy quality mark
- ▶ Continued to be accredited with the Matrix quality standard for information, advice and guidance

- ▶ Been working on an action plan with MAZARS, independent auditors, to review and audit our compliance with the Homes and Communities Agency (HCA) Framework, and improve further the work that we carry out as a housing provider. MAZARS undertook their first independent audit in 2015, providing valuable reassurance and ideas for improvement; this resulted in an action plan which is regularly updated and they will continue to advise us again next year

## **5.4 Compliance: Safeguarding**

Some of our most important and transformative work is based on the principles of keeping children and young people safe. The number of people in our services continues to grow along with the demand to support increasing complexity of need against a background of diminished youth & social care resource, higher thresholds and reduced provision. We are the only source of support for some of the most vulnerable and marginalised in our community, who sometimes don't engage with statutory services, or don't reach the threshold for statutory intervention.

There has been a significant rise in safeguarding alerts across our services which we feel is reflective of the increasing numbers of young people with complex needs we see in our services. We handled 472 safeguarding alerts from staff and volunteers in 2015-16, which is an increase of 40% on the previous year. It is important to note that we have had a growth in service delivery in our counselling and housing provision; these are services that tend to generate the most alerts.

Our safeguarding activity is responsive to risk, but also our staff are committed to ensuring that there is follow-up and accountability, often going the extra mile to ensure that information is shared appropriately and in a timely fashion amongst different professionals.

During the year we have continued to monitor the levels of self-harm and suicide ideation disclosed by our service users. Although these behaviours and/or thoughts are not in themselves an indication of risk, it is helpful to be able to reflect to key stakeholders the level of distress being experienced amongst the children and young people we work with, as well as being able to provide useful information about the way in which services are commissioned.

## **5.5 Compliance: Health and Safety**

- ▶ We achieved 100% of our gas safety certificates issued over the year
- ▶ 99% on our properties have an up to date fire risk assessment (1% off target due to remedial works being undertaken in one property where a new fire alarm system was being fitted)
- ▶ 98% of our electrical equipment passed PAT testing, or has been removed. There are a few remaining sites to be tested, this will be done early in 2016-17
- ▶ There were 10 reported accidents across the organisation which is a reduction of 12 on the previous year and none of these required reporting under RIDDOR
- ▶ There were 154 reported incidents which is an increase of 64 on the previous year (most incidents are service user related, e.g. aggression or criminal damage, but some incidents can also be property related e.g. chip pan fire, or burst pipe). Our work looking at the reasons for the increase in service user incidents showed three key factors: increasing vulnerability in our service user group due to reducing statutory support for

young people, growth in our housing stock and therefore number of service users, and better reporting by staff

## 5.6 Participation

Positive strides in service user participation happened this year. We have:

- ▶ Launched our Young People's Board (YPB), which first met with trustees in December 2015 and has met every quarter since then. The YPB had grown to 6 members by the end of March 2016 and looks set to continue to grow. Members have clear role descriptions and have been working hard to develop their terms of reference and create good relationships with the designated links on the Board of Trustees
- ▶ Continued to involve young people more consistently in recruitment at all levels with two workshops taking place in the year, establishing a trained pool of 12 young people
- ▶ Increased our resident representatives so that we have reps in all our larger accommodation facilities
- ▶ Had more responses to our Client Satisfaction Survey (across the organisation); these enabled us to measure satisfaction levels, and we saw significant improvement in many areas. Responses were up on last year with 261 clients taking part from across the organisation:
  - ▶ 92% of our clients found our staff to be welcoming and approachable
  - ▶ 83% felt listened to by staff
  - ▶ 91% felt physically safe in our services
  - ▶ 85% felt emotionally safe in our services

*"Staff are warm and welcoming and motivate residents to become their full potential they want to be." (client in survey)*

## 6. OUR PERFORMANCE AND VALUE FOR MONEY

### 6.1 Performance

In this section we outline what we said we were going to do in our last annual report, and on progress against each area:

#### **Implement our plan to strengthen the leadership structures**

We were successful in the recruitment of a new CEO, Director of Housing, and the internal development of the Head of Quality, Compliance and Participation. We plan in the coming year to further strengthen the Executive structure in the area of business development.

#### **Complete merger integration project**

The final integration of Guildford YMCA has been completed with the integration to the YMCA DLG finance and rents/maintenance systems. We have been implementing the corporate simplification plan that came out of the merger process and are on track to have a single Charity/ RP and a trading subsidiary. Governance structures have been reviewed and a new committee and Board champion structure has been implemented. The roll out of the new YMCA brand has continued through the year and is having a positive impact internally and externally.

#### **Build on our internal quality and compliance processes**

As detailed in our quality and compliance section we have appointed a new Head of Quality, Compliance and Participation, established the role of our new Finance and Audit Committee and successfully worked with our independent advisors, MAZARS. This has included a thorough review of our Registered Housing operation and compliance with the HCA standards and the implementation of long term quality assurance partnership.

#### **Review our business and strategic planning to create a new plan**

Our new strategic plan *Youth Minded Community Approach* was approved by our Board in April 2016 and provides us with a four year plan taking us to 2020. The plan provides a strong mission focus built on the vision and values of the YMCA and is supported by a detailed business plan with a four year forecast and investment plan. The Board recognised the uncertainty in the external environment and the plan builds in regular review points.

#### **Delivering our asset optimisation plan**

We completed the sale of one of our planned building disposals, and by the end of the year had sale contracts in place for one further building and accepted an offer on a third. We secured a significant capital grant to support the development of one of our buildings in Guildford. We have plans to acquire two social housing assets owned by our National Association that are currently under our and Eastbourne YMCA's management.

#### **Implement a new participation strategy, promoting the involvement of young people at every level in the organisation**

As detailed in our quality section we have made good progress establishing a youth participation structure in our organisation. This has culminated with the formation of a Young People's Board who are now regularly working with members of our Board and being represented at Board meetings. We have a long term commitment to this work and will continue to build the capacity of young people to influence through our new *Youth Minded Community Approach* strategy.



**Become a trauma informed organisation**

We have continued to invest resources in developing our trauma informed approach. This recognises that our core work brings us into contact with young people who have experienced significant trauma in their young lives. All staff have been through the trauma informed training and now have access to reflective supervision with suitably trained and qualified professionals. We are training three staff in the associate programme so they can meet the long term training and development needs of the organisation. We are working with the University of Sussex to support an impact evaluation of the project to consider formally accrediting the work.

**6.2 Our Key Performance Indicators**

The table below details the 13 key performance indicators the organisation and its Board of Trustees have been monitoring over the year to support evidence of quality impact and value for money:

| <b>Key Performance Indicator</b>   | <b>Target 2015-16</b> | <b>Result 2015-16</b> | <b>Result 2014-15</b> |
|--|-----------------------|-----------------------|-----------------------|
| <b>Financial</b>   |                       |                       |                       |
| 1. Compliance with loan covenants  | Compliant             | Compliant             | Compliant             |
| <b>Resources</b>   |                       |                       |                       |
| 2. Staff survey satisfaction rating  | 80%                   | 85%                   | 89.75%                |
| 3. Staff sickness number of working days lost per FTE (excl long term absence) | 5                     | 5.9                   | 5.8                   |
| 4. Staff turnover- staff leaving per annum                                     | 10%                   | 12%                   | 12%                   |
| 5. Building disposal program targets   | 2                     | 1                     | 2                     |
| <b>Housing Activity</b>  |                       |                       |                       |
| 6. Void loss as % of gross rents   | 3%                    | 4%                    | 4%                    |
| 7. Bad debt as % of gross rent receivable *                                    | 5%                    | 5%                    | 2%                    |
| 8. Income collection as % of gross rent charged                                | 95%                   | 95%                   | 99%                   |
| 9. Maintenance response targets **   | 95%                   | 95%                   | 92%                   |
| 10. % of residents moving on in a planned way                                  | 70%                   | 77%                   | 71%                   |

\* Based on actual housing debt written off our Ledger

\*\* Change of information system from OSKA to Pyramid may have impacted

This table will be replaced next year by a new KPI framework that supports our new strategic plan.

## 6.3 Value for Money

During the year the pressure on public finances further increased, with the announcement of rent and housing benefit restrictions for Registered Providers as well reductions in other publicly funded contracts.

With this continued pressure upon income we are striving to improve our efficiency, around both procurement and operational performance, to ensure that our resources are being used efficiently and effectively, giving the best outcomes for our residents and service users.

Our accommodation activities make up about 65% of our activity by income. In considering value for money specifically within our accommodation activities, we continue to focus upon:

- ▶ Ensuring we have efficient management and operational structures with the right staff
- ▶ Flexible use of staff to reduce our spend on non-contracted agency staff
- ▶ The outcomes we achieve with our residents and other service users
- ▶ Creative use of volunteers to increase the value provided by our employees
- ▶ Seeing what works best from the perspective of our residents

We have completed a number of reviews and changes to our services over the past year, to improve the value for money that we achieve as an organisation. What we have done:

- ▶ Introduced a new housing management software package, Pyramid, enabling us to improve our operational efficiency
- ▶ Ceased our B&B operation in Bridge Street, Guildford and introduced student accommodation, as a mixed model of housing with our supported accommodation. This will increase and stabilise the annual rental income receipts for the project.
- ▶ Introduced Inform software, to assist us to measure and evidence the social benefit of our work
- ▶ Integrated our management processes across Guildford and Worthing Foyer property acquisitions, to achieve greater efficiency in core operating costs
- ▶ Increased our volunteering base from 130 to 150 volunteers across our range of services
- ▶ Completed a review of photocopying procurement, achieving a saving of £2,650 per annum
- ▶ Reduced salary costs by £300k against 2014-15
- ▶ Reviewed HR legal services, achieving an estimated saving of £1,900 per annum
- ▶ Introduced LED lighting in one project as a pilot, achieving a saving of £300 per annum
- ▶ Amended metering arrangements at Crawley Foyer, achieving a saving of £750 per annum
- ▶ Relocated counselling staff in Brighton, achieving a saving of £12k per annum
- ▶ Ceased loss making charitable activities, achieving a 13% reduction in operating costs
- ▶ Reviewed underutilised office space in Guildford, achieving additional income of £52,500 per annum
- ▶ Reviewed stationery purchasing and stock control, achieving a saving of £13k saving in 2015-16
- ▶ Reviewed on-call out of hours rota, achieving a saving of £4,300 per annum
- ▶ Successfully bid for match funding of £1.2m to redevelop Midway House in Guildford



We recognise that there is further work we need to do to ensure that we are delivering the best possible value for money for our commissioners, investors and our service users.

We are also developing organisation Key Performance Indicators (KPIs) which will improve how we measure our impact and demonstrate value for money.

An internal Value for Money Forum has been established to drive forward a programme of value for money reviews across the organisation, oversee the development of benchmarking with comparator organisations and develop a clearer understanding and measurement of cost vs impact across our services.

**7. OUR FINANCIAL PERFORMANCE**



This is the first year that the financial statements have been prepared under FRS102 resulting in an increase in our net assets. The main changes on adoption of the new standards that have impacted the accounts include:

- the contractual agreement to make additional payments for the multi employer defined benefit pension scheme is now held as a liability on the balance sheet rather than expensed on payment
- a provision made for holiday not taken at the year end by employees
- the transitional arrangement to revalue Guildford Y Centre and Crawley Foyer and treat these as deemed cost going forward
- the Government grants relating to Midway House and Worthing Foyer being transferred to deferred income and recognised over the useful life of the property, whilst the grants relating to Guildford Y and Crawley Foyer being transferred to reserves.

The income for the year reduced by 8.4% to £11,280k (2015: £12,311k) as a result of the loss making retail operation transferring to Y England and the restructuring of the operation at Guildford Y Centre. The retendering of the Floating Support contract in Brighton and Hove was unsuccessful (£227k), however we were successful in tendering for two significant contracts in West Sussex, one to provide Urgent Access (£260k pa) and the other for Counselling (£420k pa).

| <b>Summary Income and Expenditure Account</b> | <b>2016<br/>£'000</b> | <b>2015<br/>£'000</b> | <b>Movement</b> |
|---|-----------------------|-----------------------|-----------------|
| Income  | 11,280                | 12,311                | -8.4%           |
| Operating Costs                               | (11,351)              | (12,539)              | 9.5%            |
| Exceptional Costs                             | (143)                 | (102)                 | -40.2%          |
| <b>Operating deficit</b>                      | <b>(214)</b>          | <b>(330)</b>          | <b>35.2%</b>    |
| Net Interest                                  | (54)                  | (64)                  | 15.6%           |
| Disposal of properties                        | 7                     | 251                   | -97.2%          |
| Deficit for the year                          | (261)                 | (143)                 | -82.5%          |

The Group is reporting an operating deficit of £214k (2015: £330k) which is in line with the forecast. Once exceptional staff restructure costs of £143k (2015: £102k) as a result of the previous year's merger with Guildford YMCA are taken into account, the underlying performance

was a deficit of £71k (2015: (£228k)). Plans are in place to continue driving the organisation to an operating surplus position by reviewing our cost base and looking for new opportunities. During the year we commenced a remodelling of the services provided at Guildford Y centre, ending the provision of Bed and Breakfast and replacing this with a steadier income from Student Accommodation, developing a partnership with the Academy for Contemporary Music (ACM). This was the first year of a new 3 year contract with the Homes and Communities Agency (HCA) for the Empty Homes Programme. We increased the housing stock by 12 units (2015:99) as part replacement for the 30 bed spaces that were transferred out of Management as the contracts came to an end during the year. The pipeline for more empty homes properties to meet the 3 year contract is evolving.

During the year we continued with our asset optimisation programme. The counselling offices in Windlesham Road were sold netting a small surplus of £7k and the staff relocated into existing offices reducing overhead costs.

HCA consent for the transfer of the Guildford YMCA properties was received in June 2015 which enabled the assets to be transferred to YMCA DownsLink. During the year the remaining trading activities within Sussex Central YMCA (Trading) Ltd were transferred to Guildford YMCA Services Ltd which was subsequently renamed YMCA DownsLink Group Services Ltd.

The RBS loan of £1,249k associated with the Crawley Foyer was renegotiated for a further 5 year term at a preferential interest rate of 2.12% over base rate. We have been compliant with the associated covenants throughout the year.

Post the balance sheet date, progress has been made with our asset optimisation strategy with the disposal of two properties, Lewes YMCA and Marmion Road, for a total of £3,450k before costs. It is intended to utilise the funds to secure a freehold interest in two properties in Horsham and Eastbourne, one of which we are currently managing.

The accumulated funds of £6,150k, including restricted reserves of £291k, have increased by £1,276k largely due to the revaluation of Guildford Y and Crawley Foyer under the transitional arrangements of FRS102. The funds are held entirely in properties resulting in negative free reserves. However, the post balance sheet date disposal of two properties will assist with the organisation's intention to eliminate negative free reserves. The trustees are conscious of the need to increase cash backed reserves and plan to hold free reserves of £1m. It is anticipated that the strategy of managing the charity's costs and infrastructure whilst reducing loss making activities will make real contributions to achieving this over the next two to five years.

## SECTION B – GOVERNANCE AND STRATEGY

### 1. GOVERNANCE, STRUCTURE AND MANAGEMENT



#### Objectives

YMCA DownsLink Group is affiliated to YMCA England and accordingly the charity's objectives are to encourage the active expression of the Christian faith through the provision of services and activities that encourage individual, personal, social and spiritual development. Primary objectives include the provision of accommodation, advice and therapeutic services and leisure and recreational activities, particularly for young people and those who are disadvantaged.

It is the policy of YMCA DownsLink Group to provide services and activities that do not discriminate on the grounds of age, disability, sex, gender reassignment, marriage/civil partnership status, pregnancy and maternity, race, religion and belief and sexual orientation. In order to achieve this, the charity has in place relevant policies and procedures, and its services are planned and delivered in consultation with other agencies and service users.

#### Constitution

The charity 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 the previous Hove YMCA (registered charity number 305261).

The governing document is the amended Articles of Association approved by the Board of Trustees to incorporate changes to identify a social housing function as a fundamental objective. These changes were required by the Homes and Community Agency (HCA) to accept the company as being a registered provider of social housing (registration number 4644).

The Board of Management (trustees) is the central decision making body of the Company. It comprised of 9 trustees as at the end of the year.

Our constitution states that the board of trustees shall consist of:

- (a) Not less than eight nor more than fifteen full members of the Company elected at the Annual General Meeting who shall hold office from the conclusion of that meeting.
- (b) Up to five co-opted members who can be appointed by the Board of Management.

At every Annual General Meeting one third of the members of the Board shall retire. Those who have held office the longest shall retire and shall be eligible for re-election.

Members of the Company may be approved to fill a vacancy on the Board, or be co-opted to the Board until the next Annual General Meeting, when they will be eligible for re-election.

## **Board and Committee Meetings**

The Board aims to meet at least 6 times a year – 2 of these meetings cover a 24-hour period in order to cover major strategic issues as well as provide training and development opportunities.

Following a review of governance, there are now two Board Committees: the People and Participation Committee, and the Finance and Audit Committee. These both meet four times a year, have defined Terms of Reference, and report to the Board.

We also have designated trustees that link to key people within the Leadership Team who have responsibility for:

- ▶ Participation
- ▶ Quality
- ▶ Christian Foundation
- ▶ Children and Young People
- ▶ Communities and Property

## **Statutory and Regulatory Requirements**

We have adopted the NHF Code of Governance. We have one area in which we are not currently meeting the eight standards, and that is because our YMCA DLG constitution allows for 15 Trustees and the Code states a maximum of 12. As at the year end we had nine trustees.

## **Investment Powers**

The Trustees confirm that the investments the charity holds are in accordance with the Trustees' powers.

## **Major Risks**

The Trustees review the major risks to which the charity is exposed on a regular basis and systems are implemented wherever possible to manage those risks.

The organisation's Leadership Team undertook a significant review of the organisation's risk register as part of the merger integration work and in response to fundamental changes in the external environment. This was presented to the Board in March 2015 and supported the approval of our risk management policy statement.

The top four risks identified through the process were:

- ▶ Serious incident endangering staff and/or clients
- ▶ Significant changes to funding and/or regulatory framework conflicting with strategy
- ▶ Serious incident causing significant damage to properties
- ▶ Failure to comply with regulatory frameworks

The type and level of risks identified through this process reflect the nature of the organisation, its core beneficiary group and the external environment we operate in. Risk management is reviewed by the Finance and Audit Committee, informed by MAZARS (independent auditors), and regularly reviewed by the Leadership Team, with involvement of other key staff and managers.

The Leadership Team have worked with the Board to put risk mitigation action plans in place and through this process have reduced the level of residual risk associated with our top four risk areas.

## **Equality and Diversity**

The Trustees recognise the need to ensure that the Board has the right mix of skills and experience, and is representative of the community we serve. Following a review of governance and an analysis of the skills we need and currently have on the Board, we are planning trustee recruitment with a view to adding to our existing board.

In recruitment, we work to ensure that everyone has equal access to opportunities and that we attract people who reflect the diversity of the communities in which we work. We do not accept discriminatory or inappropriate behaviour in the work place and any incidents of such behaviour are challenged and dealt with appropriately. Our equalities related issues, including the out-working of YMCA DownLink Group's Equal Opportunities and Diversity Policy, are managed within our Equalities and Diversity Forum (a group of key managers and staff from across the organisation). We send all of our staff, volunteers and Board Members on an in-house half day Equalities and Diversity Training, to raise awareness and develop understanding of our Equal Opportunities and Diversity Policy, good working practices and relevant employment legislation.

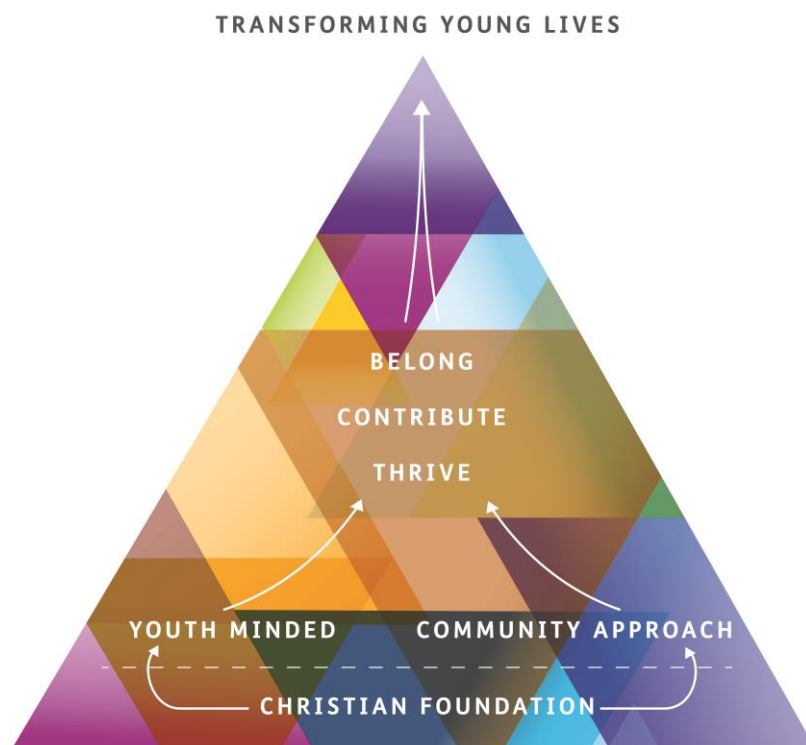
## **Public Benefit**

We have referred to the guidance contained in 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 reflect 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.

## 2. STRATEGIC DEVELOPMENT

### 2.1 Vision & Mission

The Leadership Team has worked closely with the Board, over the past year, to deliver a new strategic plan for the organisation. The plan is built from our National YMCA vision and mission and we have titled it *Youth Minded Community Approach* to provide a modern and exciting expression of the YMCA.



### 2.2 New Structure

The plan focuses on redefining how our YMCA will operate in a very different looking future, where we expect need for our services to increase, but our traditional funding resources to decline. The plan seeks inspiration from the history of the YMCA Movement recognising the importance of local YMCAs and their connections to their local community, balancing this with increasing importance of capacity to help YMCAs evolve and develop in the future. I am excited by the new organisational structure we have developed with our strategic aim to be a regional YMCA structure (YMCA DownsLink Group), but with a clear local focus re-establishing strong local YMCA identity and creating new local YMCA identities. This structure is complemented by a continuing investment in developing unique service offers for children and young people that enable them to *belong, contribute & thrive*. I am confident that this structure will empower our organisation and better connect us with the communities in which we work, enabling us to form new relationships diversifying our income streams so we can continue to meet the needs of local young people across Sussex and Surrey.



## YMCA DOWNSLINK GROUP

### Communities & Property Services Directorate

#### YMCA DOWNSLINK

PART OF YMCA DOWNSLINK GROUP

#### YMCA HORSHAM

PART OF YMCA DOWNSLINK GROUP

#### YMCA GUILDFORD

PART OF YMCA DOWNSLINK GROUP

#### YMCA WORTHING

PART OF YMCA DOWNSLINK GROUP

#### YMCA CRAWLEY

PART OF YMCA DOWNSLINK GROUP

#### YMCA LETTINGS

Providing affordable and safe accommodation to young adults and families in housing need

#### YMCA LEWES

PART OF YMCA DOWNSLINK GROUP

### Children & Young People's Directorate



#### YMCA DIALOGUE

Counselling and therapeutic support for children, young people and families



#### YMCA SAFE SPACE

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



#### YMCA CAFÉ

A great place to eat, relax and meet up with friends



#### YMCA EDUCATION & TRAINING

Enabling young people to achieve their full potential



#### YMCA WISE PROJECT

Supporting children and young people to stay safe in their relationships



#### YMCA YAC

Advice and support for young people aged 13-25



#### YMCA SOCIAL ENTERPRISE SERVICES

Grounds maintenance, landscape gardening, painting & decorating and handyman



#### YMCA STEPS OUT OF SCHOOL CLUBS

After School & Holiday Clubs for 4 - 11s. Play, relax, create, make friends. It's fun to play at the YMCA!



#### YMCA RIGHT HERE

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



#### YMCA POSITIVE PLACEMENTS

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

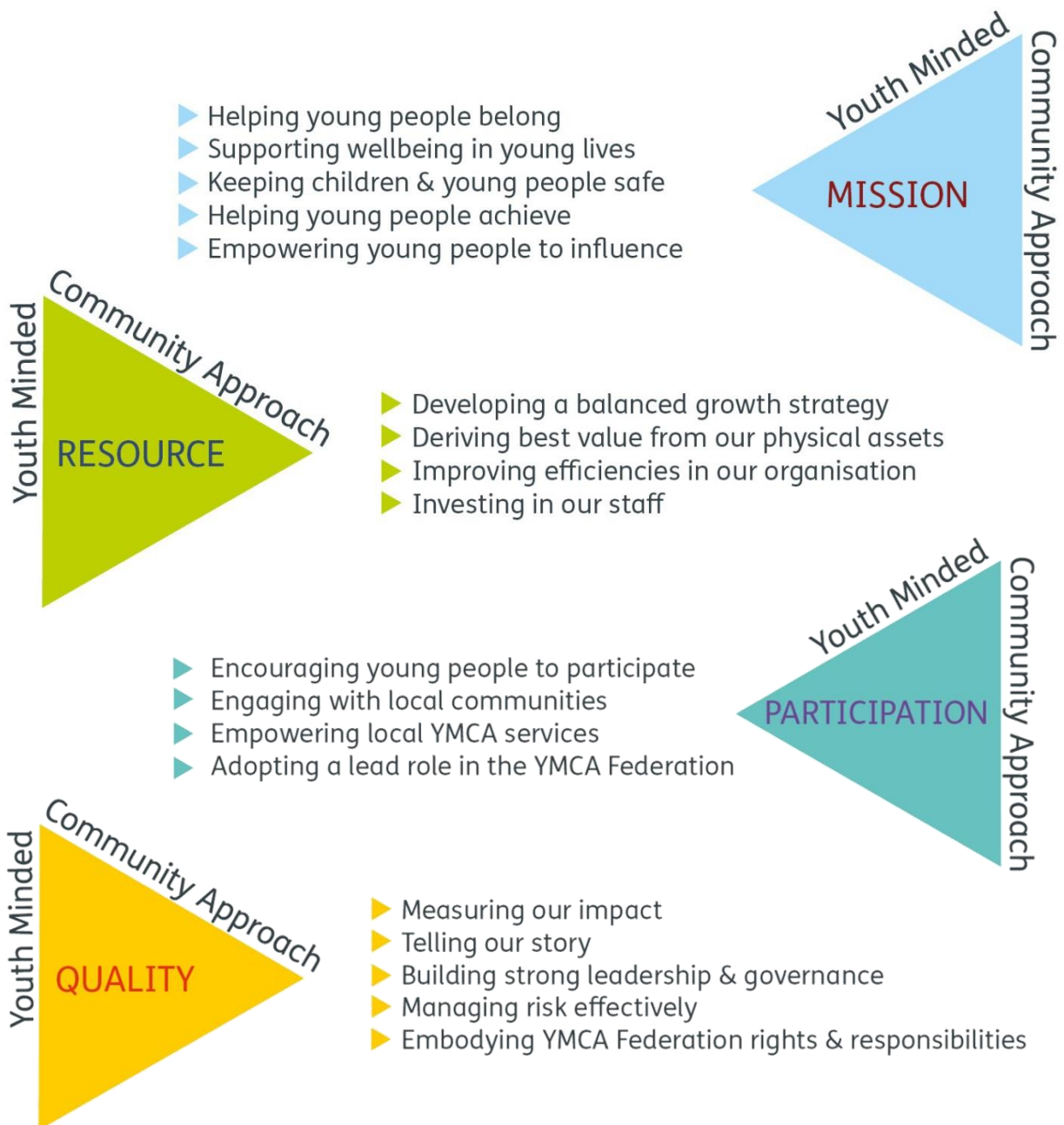




## 2.3 Objectives

We have identified four strategic themes that will focus our work over the next four years:

- ▶ **Mission**
- ▶ **Resource**
- ▶ **Participation**
- ▶ **Quality**



We have developed high level objectives around each of our themes to shape our work plans over the coming four years. It is really important that our staff, partners, supporters and local communities understand our plan, so we have developed a strategy document we are calling our 2020 Vision.

Our 2020 Vision document is available as an interactive booklet online here:

[https://issuu.com/ymcadlg/docs/2020\\_vision](https://issuu.com/ymcadlg/docs/2020_vision)

### **3. STATEMENT ON INTERNAL FINANCIAL CONTROLS AND TRUSTEES' RESPONSIBILITIES**

The Trustees acknowledge their 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
- ▶ All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising trustees and others
- ▶ Finance and Audit 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 Finance and Audit 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**

The Trustees (who are also directors of YMCA DownsLink Group for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements 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 the trustees 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, the trustees 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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 the Trustees 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 he or she ought to have taken as a Trustee in order to make himself or herself 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 7 September 2016, and was signed for and on behalf of the board by:



**John Slater**  
**Chair of the Board of Trustees**  
**7 September 2016**

## **SECTION C – FINANCIAL STATEMENTS**

### **INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF YMCA DOWNSLINK GROUP**

We have audited the financial statements of YMCA DownsLink Group for the year ended 31 March 2016 which comprise the consolidated Income and Expenditure Account, the consolidated and company Balance Sheets, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity’s members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees’ Responsibilities Statement 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC’s website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **Opinion on financial statements**

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group’s and the charitable company’s affairs as at 31 March 2016 and of the group’s income and expenditure for the year then ended;
- ▶ the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2012

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of the trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- ▶ a satisfactory system of control over transactions has not been maintained



**Adam Halsey, Senior Statutory Auditor**

**For and on behalf of:**  
**haysmacintyre**  
**Chartered Accountants and Statutory Auditors**  
**26 Red Lion Square**  
**London**  
**WC1R 4AG**

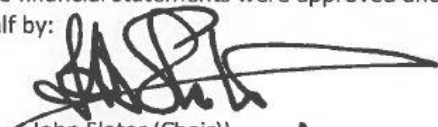
**Date:** 7 September 2016

## Consolidated Statement of Comprehensive Income For Year Ended 31 March 2016

|   | Notes | Social<br>Housing<br>Activities<br>£ | Trading<br>Activities<br>£ | Charitable<br>Activities and<br>Other Income<br>£ | 2016<br>Total<br>£  | 2015<br>Total<br>£  |
|---|-------|--------------------------------------|----------------------------|---|---------------------|---------------------|
| <b>Turnover from continuing operations</b>        |       |                                      |                            |   |                     |                     |
| Social Housing lettings                           | 2     | 7,329,221                            | -                          | -   | 7,329,221           | 7,200,670           |
| Trading Activities                                | 10    | -                                    | 620,122                    | -   | 620,122             | 840,531             |
| Charitable Activities and other income            | 4     | -                                    | -                          | 3,330,786   | 3,330,786           | 4,269,658           |
|   |       | <u>7,329,221</u>                     | <u>620,122</u>             | <u>3,330,786</u>                                  | <u>11,280,129</u>   | <u>12,310,859</u>   |
| <b>Operating costs</b>                            |       |                                      |                            |   |                     |                     |
| Social Housing lettings                           | 3     | (7,345,856)                          | -                          | -   | (7,345,856)         | (7,412,153)         |
| Trading Activities                                |       | -                                    | (618,877)                  | -   | (618,877)           | (867,581)           |
| Charitable Activities and other costs             | 5     | -                                    | -                          | (3,529,715)                                       | (3,529,715)         | (4,361,447)         |
|   |       | <u>(7,345,856)</u>                   | <u>(618,877)</u>           | <u>(3,529,715)</u>                                | <u>(11,494,448)</u> | <u>(12,641,181)</u> |
| <b>Operating (Deficit) / Surplus</b>              |       | <b>(16,635)</b>                      | <b>1,245</b>               | <b>(198,929)</b>                                  | <b>(214,319)</b>    | <b>(330,322)</b>    |
| Interest receivable and other income              |       | 14                                   | 34                         | 3,808   | 3,856               | 12,420              |
| Interest payable and similar charges              |       | (39,793)                             | -                          | (17,819)  | (57,612)            | (76,607)            |
| Unrealised (deficit) / gain on investments        |       | -                                    | -                          | (546)   | (546)               | 526                 |
| Disposal of properties                            |       | -                                    | -                          | 7,273   | 7,273               | 251,078             |
| <b>(Deficit) / Surplus on ordinary activities</b> |       | <b>(56,414)</b>                      | <b>1,279</b>               | <b>(206,213)</b>                                  | <b>(261,348)</b>    | <b>(142,905)</b>    |
| <b>Net movement in funds</b>                      |       | <b>(56,414)</b>                      | <b>1,279</b>               | <b>(206,213)</b>                                  | <b>(261,348)</b>    | <b>(142,905)</b>    |

The consolidated income and expenditure of the Charity and its subsidiaries relate wholly to continuing operations and there is no difference between the historical cost surplus and the surplus on ordinary activities recorded above.

These financial statements were approved and authorised for issue by the Directors on 7 September 2016 and signed on their behalf by:

  
 John Slater (Chair)  
 7 September 2016

  
 Ingrid Beatty (Vice Chair)  
 7 September 2016

The notes set out on pages 41 to 54 form part of these financial statements

# Consolidated Statement of Financial Position

As at 31 March 2016

Registered number: 3853734

|  | Notes | 2016             |                  | 2015               |                    |
|--|-------|------------------|------------------|--------------------|--------------------|
|  |       | Group<br>£       | Charity<br>£     | Group<br>£         | Charity<br>£       |
| <b>FIXED ASSETS</b>                          |       |                  |                  |                    |                    |
| Social Housing properties                    | 9     | 7,234,387        | 7,234,387        | 7,381,384          | 4,170,373          |
| Other Properties                             | 9     | 1,746,660        | 1,060,519        | 2,402,201          | 1,708,988          |
| Other tangible assets                        | 9     | 321,153          | 316,852          | 254,138            | 172,210            |
|  |       | <u>9,302,200</u> | <u>8,611,758</u> | <u>10,037,723</u>  | <u>6,051,571</u>   |
| Investments                                  | 10    | -                | 4                | -                  | 4                  |
|  |       | <u>9,302,200</u> | <u>8,611,762</u> | <u>10,037,723</u>  | <u>6,051,575</u>   |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                    |                    |
| Stocks                                       | 12    | 1,495            | 1,495            | 1,521              | 1,521              |
| Debtors                                      | 13    | 952,600          | 892,772          | 1,017,403          | 1,095,637          |
| Investments                                  | 11    | 4,802            | -                | 6,895              | 1,576              |
| Cash at bank and in hand                     |       | 1,217,726        | 1,117,901        | 944,993            | 824,541            |
|  |       | <u>2,176,623</u> | <u>2,012,168</u> | <u>1,970,812</u>   | <u>1,923,275</u>   |
| <b>CREDITORS</b>                             |       |                  |                  |                    |                    |
| Amounts falling due within one year          | 14    | (2,422,115)      | (2,299,523)      | (3,460,120)        | (4,049,711)        |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(245,492)</u> | <u>(287,355)</u> | <u>(1,489,308)</u> | <u>(2,126,436)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>9,056,708</u> | <u>8,324,407</u> | <u>8,548,415</u>   | <u>3,925,139</u>   |
| <b>CREDITORS</b>                             |       |                  |                  |                    |                    |
| Amounts falling due after one year           | 15    | (2,906,903)      | (2,716,386)      | (2,137,262)        | (1,910,012)        |
| <b>NET ASSETS</b>                            |       | <u>6,149,805</u> | <u>5,608,021</u> | <u>6,411,153</u>   | <u>2,015,127</u>   |
| <b>FUNDS</b>                                 |       |                  |                  |                    |                    |
| Unrestricted Funds:                          |       |                  |                  |                    |                    |
| General                                      | 17    | 5,857,276        | 5,316,635        | 6,083,022          | 1,695,228          |
| Revaluation Reserve                          | 17    | 1,144            | -                | 1,690              | -                  |
| Restricted Funds                             |       |                  |                  |                    |                    |
|  | 16    | 291,385          | 291,386          | 326,441            | 319,899            |
|  |       | <u>6,149,805</u> | <u>5,608,021</u> | <u>6,411,153</u>   | <u>2,015,127</u>   |

These financial statements were approved and authorised for issue by the Directors on 7 September 2016 and signed on their behalf by



John Slater (Chair)  
7 September 2016



Ingrid Beatty (Vice Chair)  
7 September 2016

The notes set out on pages 41 to 54 form part of these financial statements



## Consolidated Statement of Cash Flows For Year Ended 31 March 2016

| Notes  | 2016 |                  | 2015 |                |
|--|------|------------------|------|----------------|
|  | £    | £                | £    | £              |
| <b>Cash flow from operating activities</b>                           |      |                  |      |                |
| (Deficit)/Surplus for the year                                       |      | (261,348)        |      | (142,905)      |
| <b>Adjustments for non-cash items:</b>                               |      |                  |      |                |
| Depreciation   | 8    | 330,860          |      | 340,809        |
| (Increase) / decrease in stocks                                      |      | 26               |      | 289            |
| (Increase) / decrease in debtors                                     |      | 64,803           |      | (299,432)      |
| Increase / (decrease) in creditors                                   |      | 239,492          |      | 375,053        |
| (Surplus)/Deficit on disposal of assets                              |      | (4,586)          |      | (266,884)      |
| Pension costs less contributions payable                             |      | (68,855)         |      | 190,235        |
|  |      | 561,740          |      | 340,070        |
| <b>Adjustments for investing or financing activities:</b>            |      |                  |      |                |
| Government grants utilised in the year                               |      | (22,533)         |      | (15,670)       |
| Unrealised investment loss / (gain)                                  |      | 514              |      | (526)          |
| Interest payable   |      | 57,612           |      | 76,607         |
| Interest receivable  |      | (3,856)          |      | (12,420)       |
|  |      | 31,737           |      | 47,991         |
| <b>Net cash inflow/(outflow) from operating activities</b>           |      | <b>332,129</b>   |      | <b>245,156</b> |
| <b>Cash flow from investing activities:</b>                          |      |                  |      |                |
| Purchase of tangible fixed assets                                    | 9    | (244,783)        |      | (1,130,240)    |
| Sale of tangible fixed assets  |      | 654,030          |      | 1,157,295      |
| Interest received  |      | 3,856            |      | 12,420         |
| Sale of investments  |      | 1,581            |      | 619,236        |
|  |      | 414,684          |      | 658,711        |
| <b>Cash flow from financing activities:</b>                          |      |                  |      |                |
| Loan interest paid   |      | (57,612)         |      | (76,607)       |
| Repayment of borrowings  |      | (416,468)        |      | (314,308)      |
|  |      | (474,080)        |      | (390,915)      |
| <b>Increase / (decrease) in cash in the year</b>                     |      | <b>272,733</b>   |      | <b>512,952</b> |
| <b>Reconciliation of net cash flow to movement in net cash funds</b> |      |                  |      |                |
| Net cash funds at beginning of year                                  |      | 944,993          |      | 432,041        |
| Change in net funds during the year                                  |      | 272,733          |      | 512,952        |
| Net cash funds at end of the year                                    |      | <b>1,217,726</b> |      | <b>944,993</b> |

The notes set out on pages 41 to 54 form part of these financial statements

# Notes to the Financial Statements

## For Year Ended 31 March 2016

### 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.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

No complex financial instruments are held.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 25 for an explanation of impact of the transition.

YMCA DownsLink Group is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary companies, Sussex Central YMCA (Trading) limited, Lewes and District YMCA, Guildford YMCA and YMCA DownsLink Group Services Ltd are 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 Grant (SHG) is recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHG related to those assets 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, 70% of the grant income is released over the term of the lease and the balance on signing the lease.

g) **Pension costs**

YMCA DownsLink Group 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. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA DownsLink Group, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 20, YMCA DownsLink Group has a contractual obligation to make pension deficit payments of £68,729 per annum over the period to April 2027. Accordingly the net present value of these payments is shown as a liability in the accounts.

In addition, YMCA DownsLink Group is required to contribute £10,625 pa to the operating expenses of the Pension Plan and these costs are charged to the Income and Expenditure Account 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 costs 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:

|                                    |       |
|------------------------------------|-------|
| Exterior Brickwork                 | 100   |
| Pitched Roof                       | 75    |
| Flat Roof, Windows, External Doors | 25    |
| Wiring                             | 30    |
| Internal doors and Partitions      | 30    |
| Bathrooms                          | 5- 25 |
| Kitchens                           | 20    |

Freehold land is not depreciated

Annually housing properties are assessed 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 DownsLink Group 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 and Fittings  | 25% on cost                            |
| Computer Equipment     | 20- 33% on cost                        |
| Leasehold improvements | 10% on cost over the life of the lease |
| 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 resources expended are classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged to support costs as part of central costs.
- l) **Operating Leases**  
The charity classifies the lease of printing, photocopy, and computer equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whilst 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 including designated funds*  
Unrestricted reserves are reserves which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.  
Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose.  
*Restricted Reserves*  
Restricted reserves are funds which are expendable as directed by the donor.  
*Revaluation reserves*  
Revaluation reserves arise when fixed assets are revalued. Depreciation of the revalued amount is transferred to the revaluation reserve.

**2. TURNOVER FROM HOUSING ACTIVITIES**

|   | 2016             | 2015             |
|---|------------------|------------------|
|   | £                | £                |
| <b>Rent and Service charges:</b>          |                  |                  |
| Rent receivable                           | 4,447,511        | 3,469,491        |
| Service charges receivable                | 304,885          | 549,608          |
| Amortised Government Grant                | <u>22,533</u>    | <u>15,670</u>    |
|   | <b>4,774,929</b> | 4,034,769        |
| <b>Other revenue:</b>                     |                  |                  |
| Supporting People                         | 1,814,305        | 1,842,822        |
| Other Social Housing income               | <u>739,987</u>   | <u>1,323,079</u> |
|   | <b>7,329,221</b> | <b>7,200,670</b> |
| <br>                                      |                  |                  |
| Rent and service charge losses from voids | <u>(227,785)</u> | <u>(240,115)</u> |

**3. OPERATING COSTS FROM HOUSING ACTIVITIES**

|   | 2016             | 2015             |
|---|------------------|------------------|
|   | £                | £                |
| Housing accommodation – number of units                   | 544              | 556              |
| Managed Housing – number of units included in above total | 156              | 185              |
|   | £                | £                |
| Housing Services  | 3,685,116        | 2,852,560        |
| Housing Support   | 1,689,974        | 1,666,378        |
| Share of central overheads                                | 1,181,646        | 1,521,436        |
| Development costs   | 100,854          | 792,738          |
| Repairs and maintenance                                   | 321,818          | 229,283          |
| Rent losses from bad debts and provision                  | 177,734          | 151,791          |
| Depreciation of housing properties                        | <u>188,714</u>   | <u>197,967</u>   |
|   | <b>7,345,856</b> | <b>7,412,153</b> |

**4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME**

|   | 2016             | 2015             |
|---|------------------|------------------|
|   | £                | £                |
| Sports, Youth and Community                           | 639,161          | 1,287,767        |
| Therapeutic Services                                  | 1,100,845        | 1,188,866        |
| Support Services: Children, Young People and Families | 1,008,398        | 1,172,442        |
| Horsham YMCA  | 114,811          | 92,006           |
| Lewes and District YMCA Activities                    | 327,388          | 306,481          |
| Other Income  | <u>140,183</u>   | <u>222,096</u>   |
|   | <b>3,330,786</b> | <b>4,269,658</b> |

| <b>5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS</b> |                         |                         |
|---|-------------------------|-------------------------|
|   | <b>2016</b>             | 2015                    |
|   | <b>£</b>                | £                       |
| Sports, Youth and Community                                       | <b>693,253</b>          | 1,458,135               |
| Therapeutic Services  | <b>1,292,331</b>        | 1,230,890               |
| Support Services: Children, Young People and Families             | <b>1,088,027</b>        | 1,165,530               |
| Horsham YMCA  | <b>124,006</b>          | 102,345                 |
| Lewes and District YMCA Activities                                | <b>332,098</b>          | 291,768                 |
| Other Costs   | -                       | 112,779                 |
|   | <b><u>3,529,715</u></b> | <b><u>4,361,447</u></b> |

| <b>6. STAFF COSTS</b>   |                         |                         |
|-------------------------|-------------------------|-------------------------|
|                         | <b>2016</b>             | 2015                    |
|                         | <b>£</b>                | £                       |
| Salaries and wages      | <b>6,006,483</b>        | 6,336,107               |
| Social security         | <b>488,927</b>          | 514,294                 |
| Pension costs           | <b>169,355</b>          | 242,472                 |
| Life Assurance          | <b>30,754</b>           | 28,428                  |
| Healthcare              | <b>14,415</b>           | 14,121                  |
| Redundancy/Compensation | <b>133,850</b>          | 102,071                 |
|                         | <b><u>6,843,784</u></b> | <b><u>7,237,493</u></b> |

The average number of employees paid during the year was:

|                                   |            |     |
|-----------------------------------|------------|-----|
| Full Time and Part Time Employees | <b>354</b> | 380 |
| Full Time equivalent              | <b>227</b> | 262 |

#### **7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM**

None of the Directors received any remuneration in the current or prior year. Four trustees (2015:two) received reimbursed expenses for travel costs amounting to £687 (2015: £508).

The aggregate emoluments of the Leadership Team were £494,105 (2015: £503,850) The remuneration of the incoming Chief Executive comprised salary of £48,125, pension contributions of £7,219 and private health of £282 and the outgoing Chief Executive comprised salary of £60,000, pension contributions of £9,000 and private healthcare of £863 (2015: £80,000, £12,000 and £1,430 respectively). The aggregate amount of compensation paid in respect of loss of office was £64,122.

The Chief Executive is a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

#### **8. OPERATING SURPLUS**

|   |                |         |
|---|----------------|---------|
| The operating surplus is stated after charging:               | <b>2016</b>    | 2015    |
|   | <b>£</b>       | £       |
| Rent and Service charge losses from bad debts                 | <b>172,452</b> | 150,058 |
| Operating Leases - equipment                                  | <b>31,344</b>  | 32,793  |
| - land and buildings  | <b>578,365</b> | 473,070 |
| Surplus/(Deficit)on sale of fixed assets                      | <b>4,586</b>   | 266,884 |
| Depreciation of equipment, fixtures & fitting, motor vehicles | <b>116,395</b> | 114,241 |
| Depreciation of properties and components                     | <b>214,465</b> | 226,368 |
| Auditor's remuneration: External audit                        | <b>27,614</b>  | 31,711  |

**9. FIXED ASSETS**

|                                     | Group                           |                         | Charity                         |                         |
|-------------------------------------|---------------------------------|-------------------------|---------------------------------|-------------------------|
|                                     | Social<br>Housing<br>Properties | Other<br>Properties     | Social<br>Housing<br>Properties | Other<br>Properties     |
|                                     | £                               | £                       | £                               | £                       |
| <b>Cost</b>                         |                                 |                         |                                 |                         |
| 1 <sup>st</sup> April 2015          | 7,916,361                       | 2,535,865               | 4,217,230                       | 1,756,109               |
| Additions                           | 44,236                          | -                       | 44,236                          | -                       |
| Transfers                           | -                               | -                       | 3,699,130                       | -                       |
| Disposals                           | -                               | (723,730)               | -                               | (651,335)               |
| 31 <sup>st</sup> March 2016         | <u>7,960,597</u>                | <u>1,812,135</u>        | <u>7,960,596</u>                | <u>1,104,774</u>        |
| <b>Depreciation</b>                 |                                 |                         |                                 |                         |
| 1 <sup>st</sup> April 2015          | 534,977                         | 133,664                 | 46,857                          | 47,123                  |
| Charge for the year                 | 191,233                         | 23,232                  | 191,233                         | 16,158                  |
| Transfers                           | -                               | -                       | 488,119                         | -                       |
| Eliminated on disposal              | -                               | (91,421)                | -                               | (19,026)                |
| 31 <sup>st</sup> March 2016         | <u>726,210</u>                  | <u>65,475</u>           | <u>726,209</u>                  | <u>44,255</u>           |
| <b>Net Book Amount</b>              |                                 |                         |                                 |                         |
| <b>31<sup>st</sup> March 2016</b>   | <u><u>7,234,387</u></u>         | <u><u>1,746,660</u></u> | <u><u>7,234,387</u></u>         | <u><u>1,060,519</u></u> |
| 31 <sup>st</sup> March 2015         | <u>7,381,384</u>                | <u>2,402,201</u>        | <u>4,170,373</u>                | <u>1,708,988</u>        |
|                                     |                                 |                         | <b>2016</b>                     | <b>2015</b>             |
| <b>Properties at cost comprise:</b> |                                 |                         | <b>£</b>                        | <b>£</b>                |
| Freeholds                           |                                 |                         | <b>4,124,676</b>                | 4,762,765               |
| Long Leaseholds                     |                                 |                         | <b>5,648,056</b>                | 5,617,066               |
| Short Leaseholds                    |                                 |                         | -                               | 72,395                  |
| Cost of properties                  |                                 |                         | <u><b>9,772,732</b></u>         | <u>10,452,226</u>       |

**OTHER TANGIBLE FIXED ASSETS – GROUP**

|                             | Vehicles      | Fixtures,<br>Fittings and<br>Equipment | Total          |
|-----------------------------|---------------|--|----------------|
|                             | £             | £                                      | £              |
| <b>Cost</b>                 |               |  |                |
| 1 <sup>st</sup> April 2015  | 116,399       | 695,992                                | 812,391        |
| Additions                   | 29,647        | 170,900                                | 200,547        |
| Disposals                   | (46,237)      | (79,109)                               | (125,346)      |
| 31 <sup>st</sup> March 2016 | <u>99,809</u> | <u>787,783</u>                         | <u>887,592</u> |
| <b>Depreciation</b>         |               |  |                |
| 1 <sup>st</sup> April 2015  | 70,278        | 487,975                                | 558,253        |
| Charge for the year         | 16,718        | 99,677                                 | 116,395        |
| Eliminated on disposals     | (31,573)      | (76,636)                               | (108,209)      |
| 31 <sup>st</sup> March 2016 | <u>55,423</u> | <u>511,016</u>                         | <u>566,439</u> |
| <b>Net Book Amount</b>      |               |  |                |
| 31 <sup>st</sup> March 2016 | <u>44,386</u> | <u>276,767</u>                         | <u>321,153</u> |
| 31 <sup>st</sup> March 2015 | <u>46,121</u> | <u>208,017</u>                         | <u>254,138</u> |

**OTHER TANGIBLE FIXED ASSETS - CHARITY**

|                             | Vehicles      | Fixtures,<br>Fittings and<br>Equipment | Total          |
|-----------------------------|---------------|--|----------------|
|                             | £             | £                                      | £              |
| <b>Cost</b>                 |               |  |                |
| 1 <sup>st</sup> April 2015  | 83,463        | 427,394                                | 510,857        |
| Additions                   | 18,958        | 169,765                                | 188,723        |
| Transfers                   | 10,366        | 226,624                                | 236,990        |
| Disposals                   | (12,976)      | (57,199)                               | (70,175)       |
| 31 <sup>st</sup> March 2016 | <u>99,811</u> | <u>766,584</u>                         | <u>866,395</u> |
| <b>Depreciation</b>         |               |  |                |
| 1 <sup>st</sup> April 2015  | 47,709        | 290,938                                | 338,647        |
| Charge for the year         | 16,718        | 96,969                                 | 113,687        |
| Transfers                   | -             | 162,935                                | 162,935        |
| Eliminated on disposals     | (9,003)       | (56,723)                               | (65,726)       |
| 31 <sup>st</sup> March 2016 | <u>55,424</u> | <u>494,119</u>                         | <u>549,543</u> |
| <b>Net Book Amount</b>      |               |  |                |
| 31 <sup>st</sup> March 2016 | <u>44,387</u> | <u>272,465</u>                         | <u>316,852</u> |
| 31 <sup>st</sup> March 2015 | <u>35,754</u> | <u>136,456</u>                         | <u>172,210</u> |



## 10. INVESTMENTS

The wholly owned trading subsidiary, Sussex Central YMCA (Trading) Limited, which is incorporated in England and Wales pays all of its profits chargeable to corporation tax to the charity by gift aid. At the start of the year the retail operation was transferred to Y England and mid year the Painting and Decorating operation to YMCA DownsLink Group Services Ltd. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of Sussex Central YMCA (Trading) Ltd's results is shown below:

|   | 2016     | 2015            |
|---|----------|-----------------|
|   | £        | £               |
| Turnover                                  | 15,844   | 512,868         |
| Grants released in year                   | 890      | 24,052          |
| Cost of sales and administrative expenses | (89,224) | (571,479)       |
| Miscellaneous income                      | 72,472   | 10,575          |
| Interest receivable                       | 18       | 28              |
| Profit / (Loss) for the period            | <u>-</u> | <u>(23,956)</u> |

The wholly controlled company Lewes and District YMCA is incorporated in England and Wales, a summary of its results included in the consolidated financial statements is shown below:

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Grants, Donations and Project income | 250,148        | 235,883        |
| Rental Income                        | 80,240         | 74,058         |
|                                      | <u>330,388</u> | <u>309,941</u> |
| Total Resources Expended             | (298,142)      | (305,554)      |
| Surplus for the period               | <u>32,246</u>  | <u>4,387</u>   |

The wholly owned trading subsidiary, YMCA DownsLink Group 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  | 527,258      | 662,766      |
| Grants released in year   | 3,658        | 4,408        |
| Cost of sales and administrative expenses   | (529,650)    | (658,433)    |
| Interest receivable   | 16           | -            |
|   | <u>1,282</u> | <u>8,741</u> |
| Charitable donation to parent undertaking arising from the period ended 31 <sup>st</sup> March 2016 | (1,282)      | (6,222)      |
| Net Profit  | <u>-</u>     | <u>2,519</u> |

The wholly controlled company Horsham YMCA was dissolved and the assets transferred to the DownsLink Group on 24 Feb 2015.

|  |          |                |
|--|----------|----------------|
| Grants, Donations and Miscellaneous income | -        | 92,053         |
| Rental Income                              | -        | 13,969         |
|  | <u>-</u> | <u>106,022</u> |
| Total Resources Expended                   | -        | (108,014)      |
| Surplus / (Loss) for the period            | <u>-</u> | <u>(1,992)</u> |

During the year the wholly controlled company Guildford YMCA transferred its assets to DownsLink Group and was dissolved on 28<sup>th</sup> June 2016

|                        |          |              |
|------------------------|----------|--------------|
| Turnover               | -        | 738,997      |
| Cost of Sales          | -        | (731,035)    |
| Capital appeal         | -        | -            |
| Interest               | -        | -            |
| Surplus for the period | <u>-</u> | <u>7,962</u> |

**11. INVESTMENTS**

|  | 2016         |            | 2015         |              |
|--|--------------|------------|--------------|--------------|
|  | Market Value | Cost       | Market Value | Cost         |
|  | £            | £          | £            | £            |
| Santander                                      | 430          | 100        | 740          | 100          |
| Santander shares received in lieu of dividends | 29           | -          | 50           | -            |
| COIF – Charities Investment Fund               | 4,343        | 453        | 4,529        | 453          |
| COIF - Deposits                                | -            | -          | 1,576        | 1,576        |
|  | <u>4,802</u> | <u>553</u> | <u>6,895</u> | <u>2,129</u> |

**12. STOCKS**

|                                  | 2016         |              | 2015         |              |
|----------------------------------|--------------|--------------|--------------|--------------|
|                                  | Group        | Charity      | Group        | Charity      |
|                                  | £            | £            | £            | £            |
| Food, household stocks and paint | <u>1,495</u> | <u>1,495</u> | <u>1,521</u> | <u>1,521</u> |

**13. DEBTORS**

|   | 2016           |                | 2015             |                  |
|---|----------------|----------------|------------------|------------------|
|   | Group          | Charity        | Group            | Charity          |
|   | £              | £              | £                | £                |
| Arrears of accommodation charges        | 201,100        | 201,100        | 196,608          | 196,608          |
| Prepayments                             | 102,832        | 102,028        | 128,052          | 112,369          |
| Other debtors                           | 648,668        | 371,245        | 692,743          | 614,146          |
| Amounts owed by subsidiary undertakings | -              | 218,399        | -                | 172,514          |
|   | <u>952,600</u> | <u>892,772</u> | <u>1,017,403</u> | <u>1,095,637</u> |

**14. CREDITORS**

|  | 2016             |                  | 2015             |                  |
|--|------------------|------------------|------------------|------------------|
|  | Group            | Charity          | Group            | Charity          |
|  | £                | £                | £                | £                |
| Deferred Income                        | 1,060,043        | 1,058,401        | 656,919          | 653,881          |
| Other creditors                        | 550,811          | 545,462          | 717,787          | 709,708          |
| Trade creditors                        | 498,479          | 415,423          | 499,312          | 485,976          |
| Social security and other taxes        | 140,920          | 140,920          | 161,229          | 161,229          |
| Bank overdraft and loans               | 42,560           | 36,579           | 1,287,650        | 1,282,076        |
| VAT creditor                           | 39,848           | 13,284           | 47,963           | 40,882           |
| Pension deficit                        | 66,921           | 66,921           | 66,727           | 66,727           |
| Housing Grants                         | 22,533           | 22,533           | 22,533           | 8,236            |
| Amounts due to subsidiary undertakings | -                | -                | -                | 640,996          |
|  | <u>2,422,115</u> | <u>2,299,523</u> | <u>3,460,120</u> | <u>4,049,711</u> |

During the year the loan relating to the purchase of Crawley Foyer was renewed for a further 5 years at a preferential interest rate of bank base rate plus 2.12%, hence the decrease in creditors falling due within one year

**15. CREDITORS**

| Amounts falling due after one year                  | 2016             |                  | 2015             |                  |
|---|------------------|------------------|------------------|------------------|
|   | Group<br>£       | Charity<br>£     | Group<br>£       | Charity<br>£     |
| Bank loans – Not wholly repayable within five years | 1,374,158        | 1,183,642        | 545,537          | 349,040          |
| Deferred Income – grants in advance                 | 34,760           | 34,760           | 2,158            | -                |
| Defined Benefit Pension Deficit                     | 677,900          | 677,900          | 746,950          | 746,950          |
| Housing Grants                                      | 820,084          | 820,084          | 842,617          | 814,023          |
|   | <u>2,906,902</u> | <u>2,716,386</u> | <u>2,137,262</u> | <u>1,910,013</u> |
| Loan Maturity Analysis                              |                  |                  |                  |                  |
| In more than one year but not more than two years   | 43,932           | 37,549           | 26,300           | 20,318           |
| In more than two years but not more than five years | 140,446          | 118,650          | 85,823           | 65,395           |
| In more than five years                             | 1,189,780        | 1,027,443        | 433,414          | 263,327          |
|   | <u>1,374,158</u> | <u>1,183,642</u> | <u>545,537</u>   | <u>349,040</u>   |

The Crawley Foyer loan interest rate is bank base rates plus 2.12% and the Lewes loan has a fixed rate of 6.5%. The bank loans are secured on three of the charity and subsidiary companies' properties detailed in note 9. During the year the loan relating to the purchase of the Crawley Foyer was renegotiated for a further 5 year period that ends in August 2020. With the sale of 24 Windlesham Road, the loan relating to this property was settled.

**16. RESTRICTED FUNDS – GROUP**

|   | 1 April<br>2015 | Income         | Expenditure      | Transfer to<br>unrestricted<br>reserves | 31 March<br>2016 |
|---|-----------------|----------------|------------------|---|------------------|
| Funds   | £               | £              | £                | £                                       | £                |
| Special Needs Reserve                             | 5,284           | -              | (356)            | -                                       | 4,928            |
| Young Homeless Fund                               | 1,258           | -              | -                | -                                       | 1,258            |
| Peter Standing Memorial Fund                      | 1,294           | -              | -                | -                                       | 1,294            |
| Legacy – Horsham Y Centre                         | 56,245          | -              | (953)            | -                                       | 55,292           |
| Big Lottery Fund Grant – Youth in Focus Programme | 262,360         | 235,532        | (269,278)        | -                                       | 228,614          |
| Total   | <u>326,441</u>  | <u>235,532</u> | <u>(270,587)</u> | <u>-</u>                                | <u>291,386</u>   |

**RESTRICTED FUNDS – CHARITY**

|   | 1 April<br>2015 | Income         | Expenditure      | Transfers    | 31 March<br>2016 |
|---|-----------------|----------------|------------------|--------------|------------------|
| Funds   | £               | £              | £                | £            | £                |
| Special Needs Reserve                             | -               | -              | (356)            | 5,284        | 4,928            |
| Young Homeless Fund                               | -               | -              | -                | 1,258        | 1,258            |
| Peter Standing Memorial Fund                      | 1,294           | -              | -                | -            | 1,294            |
| Legacy – Horsham Y Centre                         | 56,245          | -              | (953)            | -            | 55,292           |
| Big Lottery Fund Grant – Youth in Focus Programme | 262,360         | 235,532        | (269,278)        | -            | 228,614          |
| Total   | <u>319,899</u>  | <u>235,532</u> | <u>(270,587)</u> | <u>6,542</u> | <u>291,386</u>   |

**17. RESERVES – GROUP**

|                     | 1 April<br>2015  | Income            | Expenditure         | Unrealised<br>Gains /<br>(Losses) | Transfers | 31 March<br>2016 |
|---------------------|------------------|-------------------|---------------------|-----------------------------------|-----------|------------------|
|                     | £                | £                 | £                   | £                                 | £         | £                |
| Revaluation Reserve | 1,690            | -                 | -                   | (546)                             | -         | 1,144            |
| General Reserves    | 6,083,022        | 11,698,453        | (11,924,200)        | -                                 | -         | 5,857,275        |
| Restricted Funds    | 326,441          | 235,532           | (270,587)           | -                                 | -         | 291,386          |
|                     | <b>6,411,153</b> | <b>11,933,985</b> | <b>(12,194,787)</b> | <b>(546)</b>                      | <b>-</b>  | <b>6,149,805</b> |

**RESERVES – CHARITY**

|                     | 1 April<br>2015  | Income            | Expenditure         | Unrealised<br>Gains /<br>(Losses) | Transfers        | 31 March<br>2016 |
|---------------------|------------------|-------------------|---------------------|-----------------------------------|------------------|------------------|
|                     | £                | £                 | £                   | £                                 | £                | £                |
| Revaluation Reserve | -                | -                 | -                   | -                                 | -                | -                |
| General Reserves    | 1,695,228        | 10,747,908        | (11,014,225)        | -                                 | 3,887,724        | 5,316,635        |
| Restricted Funds    | 319,899          | 235,532           | (270,587)           | -                                 | 6,542            | 291,386          |
|                     | <b>2,015,127</b> | <b>10,983,440</b> | <b>(11,284,812)</b> | <b>-</b>                          | <b>3,894,266</b> | <b>5,608,021</b> |

**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 - for funding Street Children in Brazil

Horsham Y Centre Legacy – to be spent on activities or equipment that will benefit the young people of Horsham

Big Lottery Fund Grant – Youth in Focus Programme – to fund work to help young offenders coming out of custody integrate back into society.

**18. GUARANTEES**

As part of its direct charitable work, YMCA DownsLink Group 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<sup>st</sup> March 2016 is under £1,000. This system enables more places to be facilitated with minimal exposure.

A parent guarantee exists between the Charity and YMCA DownsLink Group 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 DownsLink Group is limited by guarantee having no share capital. In accordance with the Memorandum of Association every Member is liable to contribute a sum of £1 in the event of the charity being wound up.

## 20. PENSION COMMITMENT

YMCA DownsLink Group 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 DownsLink Group 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 plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA DownsLink Group and accordingly the pension deficit is not shown in the balance sheet. Under FRS102 the Group are required to account for the present value of future deficit payments. The table below sets out the value of the liabilities included in the Balance Sheet

|                     | Within one year<br>£'000 | One to two years<br>£'000 | Two to five years<br>£'000 | After five years<br>£'000 | After more than one year<br>£'000 | TOTAL 2016<br>£'000 | TOTAL 2015<br>£'000 |
|---------------------|--------------------------|---------------------------|----------------------------|---------------------------|-----------------------------------|---------------------|---------------------|
| As at 31 March 2016 | 66,921                   | 67,116                    | 202,524                    | 408,260                   | 677,900                           | 744,821             | -                   |
| As at 31 March 2015 | 66,727                   | 66,921                    | 201,936                    | 478,093                   | 746,950                           | -                   | 813,677             |

The adjustments to reserves on transition to FRS102 are set out in note 25.

Further details on the pension scheme provided by the actuary is as follows:

The most recent completed three year valuation was as at 1 May 2014. 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 5.35% and 3.85% respectively, the increase in pensions in payment of 3.3%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.6 years, female 24.6 years, and 24.8 years for a male pensioner, female 26.9 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £90.8m. This represented 70% 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 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. YMCA DownsLink Group has been advised that it will need to make monthly contributions of £5,727 from 1 May 2015. 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 12 years commencing 1st May 2015.

In addition, YMCA DownsLink Group 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 DownsLink Group 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 41 employees benefited from the scheme at a cost of £104,045.

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 4 (2015: 8) and costs for the year were £3,062 (2015: £7,641).

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 £ 14,955 (2015: £25,592) in respect of 13 employees (2015: 22).

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

At the end of the year there was a liability of £18,734 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.

|                            | 2016                    | 2015                    |
|----------------------------|-------------------------|-------------------------|
|                            | £                       | £                       |
| Land and Buildings:        |                         |                         |
| Within one year            | 645,893                 | 574,917                 |
| Between one and five years | 1,520,524               | 1,686,731               |
| In more than five years    | <u>156,688</u>          | <u>197,738</u>          |
|                            | <u><b>2,323,105</b></u> | <u><b>2,459,386</b></u> |
| Equipment:                 |                         |                         |
| Within one year            | 18,340                  | 19,975                  |
| Between one and five years | 22,485                  | 10,087                  |
| In more than five years    | -                       | -                       |
|                            | <u><b>40,825</b></u>    | <u><b>30,062</b></u>    |

## 22. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2016 YMCA DownsLink Group had the following related and associated undertakings:

|                                   | Relationship      | Status             | Regulated by Social Housing Regulator |
|-----------------------------------|-------------------|--------------------|---------------------------------------|
| Lewes and District YMCA           | Controlled        | Charitable Company | Non-regulated                         |
| Sussex Central YMCA (Trading) Ltd | 100% subsidiary   | Trading Company    | Non-regulated                         |
| YMCA DownsLink Group Services Ltd | 100% subsidiary   | Trading Company    | Non-regulated                         |
| Guildford YMCA                    | Effective control | Charitable Company | Regulated                             |

During the year Guildford YMCA transferred its Social Housing Assets to YMCA DownsLink Group and began the process of winding up. This was completed on 28<sup>th</sup> June 2016. Guildford YMCA Services Ltd was renamed YMCA DownsLink Group Services Ltd with effect from 7<sup>th</sup> March 2016.

## 23. CONTINGENT LIABILITIES

If in the future the use of:

- Crawley Foyer is changed from its current use the Social Housing Grant of £423,140 and the Local Authority Grant of £1,500,226 would be repayable.
- Worthing Foyer is changed from its current use the Social Housing Grant of £823,632 would be repayable.
- Guildford Y Centre and Midway House are changed from their current use the Housing Grants of £3,050,481 and £357,415 respectively would be repayable.

It is considered unlikely that such changes will occur.

## 24. CAPITAL COMMITMENTS

At the year end capital expenditure of £209,887 for the redevelopment of Midway House had been contracted.

**25 TRANSITION TO FRS 102**

The charity has adopted FRS 102 from 1 April 2014 and has restated the comparative prior year amounts.

Changes for FRS102 Adoption:

1. **YMCA Pension Plan**  
Under Section 28 the charity is now required to recognise the net present value of any contractual agreements to make additional payments for a past deficit. Using a discount rate of 3% this has resulted in a liability of £623,442 being recognised in the opening reserves.
2. **Holiday pay provision**  
A provision is now made for entitlement to holiday at the year-end which has not been taken by employees. This has been calculated based on payroll records and totalled £15,000 as a liability in opening reserves.
3. **Social Housing Properties**  
The charity states fixed assets on the balance sheet at cost. However at the transition date Crawley Foyer and Guildford Y Centre have been stated at fair value and this will then be treated as deemed cost going forward.
4. **Government Grants**  
The two properties, Guildford Y Centre and Crawley Foyer, which have been revalued, have had their associated grants treated under the performance model and recognised in the opening reserves. The grants associated with Midway House and Worthing Foyer have been treated under the accrual mode with the grants transferred to deferred income and recognised over the useful life of the properties.

| <b>Restated statement of financial position</b> | 31/3/2015        |                  | 1/4/2014         |                  |
|---|------------------|------------------|------------------|------------------|
|   | Group<br>£       | Charity<br>£     | Group<br>£       | Charity<br>£     |
| Original reserves                               | 4,873,447        | 2,785,134        | 4,751,432        | 1,721,941        |
| Pension liability                               | (813,677)        | (813,677)        | (623,442)        | (623,442)        |
| Holiday pay accrual                             | (15,000)         | (15,000)         | (15,000)         | (15,000)         |
| Transfer housing grants to reserves             | 4,973,847        | 1,923,366        | 4,973,847        | 1,923,366        |
| Restatement of property values                  | (2,547,827)      | (1,859,020)      | (2,547,827)      | (1,859,020)      |
| Government grants utilised                      | 1,373            | 1,373            | 15,048           | -                |
| Additional depreciation charge                  | (61,010)         | (7,049)          | -                | -                |
| Net movement on reserves                        | <u>1,537,706</u> | <u>(770,007)</u> | <u>1,802,626</u> | <u>(574,096)</u> |
| Restated reserves                               | <u>6,411,153</u> | <u>2,015,127</u> | <u>6,554,058</u> | <u>1,147,845</u> |

| <b>Restated surplus /( deficit) for the year ended 31 March 2015</b>                    | 2015             |
|---|------------------|
|   | Group<br>£       |
| Original surplus on ordinary activities before taxation                                 | 121,489          |
| Unrealised gains previously shown in Statement of Total Recognised Gains and Losses     | 526              |
| Change in pension deficit expenditure   | (190,236)        |
| Government grants taken to income   | 15,670           |
| Increase in depreciation charge   | <u>(90,354)</u>  |
| Restated deficit on ordinary activities before taxation for the year ending 31 Mar 2015 | <u>(142,905)</u> |