

YMCA DOWNSLINK GROUP

Trustees' Annual Report & Accounts

2016/17

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

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Introduction

To our funders, stakeholders, supporters, staff, volunteers and beneficiaries.

The Directors are pleased to present their Annual Report and Financial Statements of YMCA DownsLink Group for the year ending 31 March 2017. This report includes the Strategic Report required under Company Law.

YMCA DownsLink Group (YMCA DLG) affiliates to the YMCA Federation of England and Wales and is part of an international YMCA Movement, the oldest and largest youth charity in the world having been established in 1844. YMCA DLG has evolved through the merger of a number of local YMCAs across Sussex & Surrey.

We launched our Strategic Plan this year, '2020 Vision: *Youth Minded Community Approach*'. We are encouraged by the progress we have made and excited by the support for our vision from all our stakeholders: young people, staff, volunteers, funders and the wider communities in which we work. The strategy has a strong missional focus and is clear in its aim: helping children and young people to **belong, contribute and thrive**.

We would like to take this opportunity to thank all our staff, volunteers and trustees for their hard work and commitment over the year. With particular thanks to Richard Smillie and Peter McMahon for their long service on the Board of Trustees, both of whom retired in March 2017.

Thank you too, to our supporters for their passion for the cause and continued financial support, and our stakeholders for their important work and investment with us.

This Trustees' report reflects the structure of our 2020 vision and reports on the progress against our four strategic themes: Mission, Resource, Quality and Participation. We are pleased to set out in the report the positive impact that our YMCA has had on so many young lives this year, and our ability to maximise the impact of our work and deliver a positive set of financial results.

A handwritten signature in black ink, appearing to read 'John Slater', written over a light blue horizontal line.

John Slater
Chair of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Chas Walker', written over a light blue horizontal line.

Chas Walker
Chief Executive

MISSION

MISSION

Helping Young People Belong

Communities and Property Services

YMCA DOWNSLINK
PART OF YMCA DOWNSLINK GROUP

YMCA HORSHAM
PART OF YMCA DOWNSLINK GROUP

YMCA GUILDFORD
PART OF YMCA DOWNSLINK GROUP

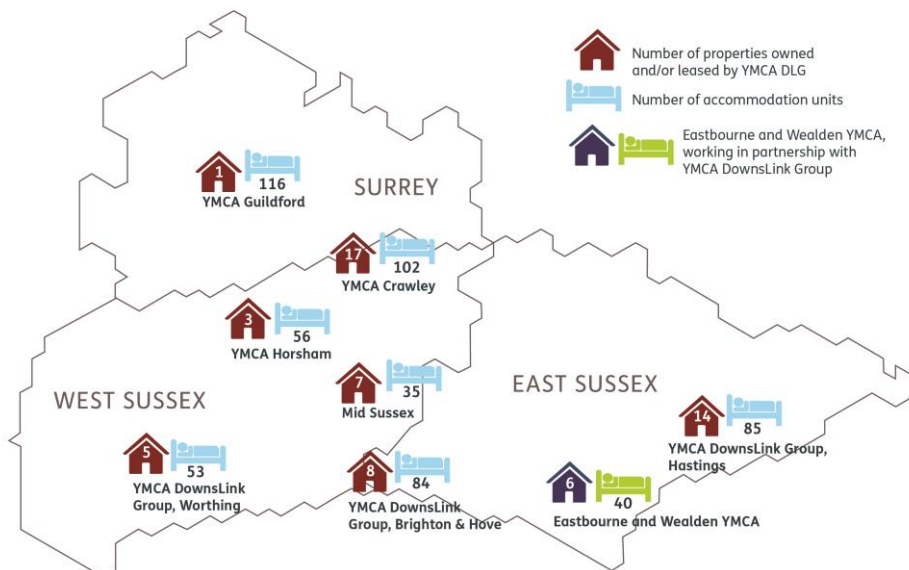
YMCA WORTHING
PART OF YMCA DOWNSLINK GROUP

YMCA CRAWLEY
PART OF YMCA DOWNSLINK GROUP

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

All our services provide safe spaces for children and young people to belong, contribute and thrive. Many young people who move into our accommodation however, don't feel that they belong anywhere. Our accommodation staff and volunteers work hard to help residents feel like they *belong* by being welcoming, offering support and providing activities and opportunities to get involved.

"I was sofa surfing before at my dad's which I couldn't keep doing and I really wanted somewhere with my own space. I moved in (to the YMCA) and didn't know what to expect at first. I struggled with my mental health and didn't know where to go with it... The staff, they helped me turn my life around. I love living here. I was a bit shy at first but now it feels like home. Thanks for all the help and support. " YMCA DLG resident



Social impact & value for money

- ▶ We provided accommodation to 790 young people
- ▶ 79% of young people leaving our accommodation moved on in a positive way
- ▶ We grew our total stock numbers overall by 27 units through YMCA Empty Homes & YMCA Lettings
- ▶ We won 'Best accommodation project' for Empty Homes at the national YMCA Youth Matters Awards
- ▶ We piloted an Unaccompanied Asylum Seeking Children pilot at Guildford housing 10 new arrivals to the country
- ▶ We spent £35,000 of our YMCA Charitable Hardship Fund enabling some of our residents to overcome financial hardship and support them in achieving economic independence
- ▶ We collected £5,169,688 in rent over 2016-17, this represents a 96.58% income collection
- ▶ Our social housing accommodation was let for a total of 149,817 days against a possible 155,855 days; this represents a lettings percentage of 96%
- ▶ We completed the purchase of Horsham Y Centre and Eastbourne Y Centre from our national association YMCA England
- ▶ We secured £450,000 of capital grant funding towards renovating YMCA Crawley Foyer and creating a wellbeing centre and we will be investing £450,000 from our own reserves to improve the project
- ▶ We started on redevelopment of Midway House in Guildford to create YMCA Guildford Foyer with 34 bed spaces



YMCA Empty Homes won 'Accommodation Project of the Year' Award in 2016 Youth Matters Awards

YMCA Chaplaincy



YMCA CHAPLAINCY

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

We are an inclusive organisation with a strong Christian foundation. Our staff and young people are from all faiths and none and our volunteer Chaplains provide support to our residents and staff.

This year we have expanded the service; Chaplaincy has been delivered by a Lead Chaplain and 23 volunteer chaplains.

"At times when I am struggling I have felt that the chaplains have heard my pain. It is good to know that someone notices how you are. Just knowing they will be there each week – particularly if I have had a bad week... They make the centre feel more homely, more communal. More like a home. "
YMCA DLG Resident



YMCA DLG Chaplains

MISSION

Supporting Wellbeing in Young Lives



YMCA DIALOGUE

Counselling and therapeutic support for children, young people and families

YMCA Dialogue has been delivering counselling and therapy since 1994. Accredited with The British Association of Counselling & Psychotherapy, it delivers services across Sussex and Surrey, in community settings, schools and colleges, and online.



YMCA RIGHT HERE

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

YMCA Right Here works with young volunteers (aged 16-25) in Brighton and Hove, around mental wellbeing. The project hosts free activities for young people and has teams of young volunteers working on mental health promotion and on young men's health.

Social impact & value for money

- ▶ 7,366 children, young people and families provided with a counselling service in education and community settings through paid and honorary (volunteer) counsellors
- ▶ Over 1,700 children and young people reached through YMCA Right Here young volunteers who worked in schools in Brighton and Hove and West Sussex
- ▶ 11% increase in income generated to support this work over the last year
- ▶ 13% increase in our investment into this work on previous year, which supports 83 (32 full time equivalent) staff members
- ▶ We delivered over 30 mental health courses in West Sussex to over 440 professionals that work directly with children and young people. This training was co-facilitated by our young people and is part of a partnership programme with West Sussex Coastal Mind
- ▶ We have been challenging stigma in mental health and wellbeing through our YMCA Right Here campaigning work, with over 1,600 young people reached through the No Worries sexual health campaign led by our young volunteers



Emily Pinto, YMCA Right Here Volunteer

"I was proud to attend one of YMCA Right Here's Walk and Talk events as a volunteer. It's a free walking activity with a therapy dog designed for a small group of young people who experience social anxiety and isolation, or feel challenged by being in groups or meeting new people... Mental health issues are real, valid, and should be nothing to be ashamed of! Everyone deserves to be treated with respect and kindness, and to be given the support they need. Speaking out about mental health issues is really important in order to get help"

Keeping Children and Young People Safe



YMCA YAC

Advice and support for young people aged 13-25

YMCA YAC provides a single point of access for young homeless people to receive advice and support. Daily drop-ins at YAC also offer general advice on a wide range of issues including mental health and wellbeing, employment and education and sexual health.



YMCA SAFE SPACE

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

YMCA Safe Space provides support on a Friday and Saturday night in Brighton & Hove for people who are injured or intoxicated after a night out. It is run in partnership with The Red Cross and Sussex Police.



YMCA WiSE PROJECT

Supporting children and young people to stay safe in their relationships

YMCA WiSE is a project that covers Brighton & Hove, East Sussex and Surrey and offers support and advice to children and young people who are at risk of sexual exploitation. They also offer support to professionals or anyone with a concern.

Social impact & value for money

- ▶ 1,193 young people accessed our housing advice and universal drop-ins at YMCA YAC to access support and advice
- ▶ Brighton & Hove City Council awarded the YMCA a 5 year contract for YAC enabling us to continue to provide this much needed service in the City
- ▶ 115 young people supported through our WiSE project across Sussex and Surrey
- ▶ Safe Space, our partnership project in Brighton & Hove, which assists vulnerable people in the night time economy, helped 887 people this year
- ▶ Safe Space provided a significant cost saving to the health economy of Brighton & Hove, saving 107 paramedic call outs and 123 ambulance trips to A&E (approximately £30,000 based on 2011 NICE figures)
- ▶ Volunteering contributes to the local labour market and many of our volunteers at YMCA YAC go into paid employment taking the skills and knowledge they have gained to their paid work. At YMCA YAC we achieved a 80% success rate in our Family Mediation service in Brighton & Hove, helping to prevent young people from becoming homeless
- ▶ Safe Space has saved numerous police hours and helped prevent crime by providing a place for vulnerable people to be safe; the project won a Sussex Police Brighton & Hove Divisional Award this year for 'Excellence in Partnership'

- ▶ Our child sexual exploitation project WiSE has wide reaching social impact, not only on children and young people worked with (keeping them safe from harm) but on the wider community; workers this year have run training events for taxi drivers and nightclub door staff helping them spot concerns and report appropriately. The research undertaken within WiSE this year on boys and young men at risk of sexual exploitation is being used at a strategic level across Sussex and in Brighton and Hove, to enable earlier identification of male victims, and improve appropriate response
- ▶ Our Client Satisfaction Survey this year showed that 90% of our clients in the survey felt safe in our services

“Volunteering at YMCA YAC has been one of the greatest opportunities I have been given. Within my role I have been given so many opportunities to better myself as an advice worker and as a person; the numerous training days and sessions have given my skills and knowledge I would not have been able to gain without YAC. Volunteering has given me a chance to impact young people’s lives for the better and has given me a sense of achievement and understanding of the great work people do here every day. I know that I will carry my experience here with me through every aspect of my life, use it to better myself and educate others.” Ruby, YMCA YAC Volunteer



YMCA WiSE held a CSE awareness raising campaign at Brighton station

MISSION

Helping Young People Achieve



YMCA EDUCATION & TRAINING

Enabling young people to achieve their full potential

Our accredited courses cover a vast range of topics including Childcare, Horticulture, Barista Training and Bush Craft, and are delivered in a number of locations across the counties both on a 1-1 basis and in groups. This year we worked with 91 children and young people



YMCA SOCIAL ENTERPRISE SERVICES

Grounds maintenance, landscape gardening, painting & decorating and handyman

We offer a range of painting and decorating, maintenance, handyman, and gardening services, covering Crawley, Horsham, Guildford, Brighton, Lewes and Hastings



YMCA POSITIVE PLACEMENTS

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

We recruit adult volunteers to be trained as mentors in order to support young people towards a positive future. This will involve working with them to improve confidence, build life skills and write CVs to move on to education, training or employment



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!

Our Out of School Clubs in Lewes and Horsham are registered with Ofsted and provide a balance of child-led and adult-initiated opportunities for fun, games, sporting and creative activities, indoors and outdoors

YMCA DLG delivers specialist services that help young lives achieve through YMCA Education & Training, YMCA Social Enterprise, YMCA Positive Placements and YMCA Steps.

Social impact & value for money

- ▶ We have worked very closely with YMCA Horsham Football Club and supported three of our residents to qualify as football coaches
- ▶ Working in partnership with others provides our young people with extra opportunities:

"YMCA put my name forward for trials with the Homeless Football Association; they select and manage the Homeless Team England. I got through to the Homeless FA finals and was selected for the World Cup squad. It was life changing. I learned so much from the trip and I met lots of new friends from all

***over the world. I'm keeping in touch with some of them and hope to visit in the future."* YMCA DLG Resident**

- ▶ YMCA Positive Placements helped 67 young people build confidence and self belief as well as gain new experiences and work related skills
- ▶ YMCA Education and Training delivers an Alternative Education programme and this year all children and young people registered with us achieved their certificate or above in the Laser Learning, Employability and Progression (LEAP) Awards. We have maintained our achievement records this year despite the increasingly varied needs of the young people we work with.
- ▶ Fast Track to Employment, in partnership with YMCA Training, has seen all 8 applicants successfully achieve in moving on to Further Education or employment, with two young people taken on as Volunteer Forest School Leaders.
***"This is the one thing that brings me joy and happiness in my life."* Elena Barlow, Volunteer Forest School Leader**
- ▶ Over 360 children supported and cared for through our Breakfast and Afterschool Clubs, our Holiday Play scheme, and through our nursery provision providing a safe environment for children to belong, contribute and thrive.
***"The YMCA offers a unique experience for our daughter...because she has communication difficulties our daughter might not be able to mix so well with so many other children. We find that the YMCA provides proper meals and teaches our daughter wonderful activities including baking. She uses the computer, she paints as well as the wonderful physical activities in the garden. Without these experiences our daughter would be very much the poorer and a lot less socialised."* Parent**

Telling our Story

Jacob (right) is one of our residents and also joined YMCA Positive Placements Mentoring Project. He loves gardening and working outdoors and with the support of the YMCA staff he has developed a vegetable garden for the residents.

He has worked really hard to pursue his career goals and is now a Grounds Maintenance Apprentice with YMCA DLG. The opportunity combines gardening work for us with study towards an NVQ L2 Horticulture at a local college.

Jacob said, *"I'm really excited about my apprenticeship. It's a great opportunity which will open doors to my future career. I'm looking forward to learning new skills and being part of the facilities team"*.



Jacob collecting the Youth Matters Awards for best project in November 2016

MISSION

Empowering Young People to Influence



YMCA RIGHT HERE

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

YMCA Right Here is a health and wellbeing project which is delivered by young people aged 16-25 years.

Social impact & value for money

- ▶ Our social media campaigns and work provides extensive reach for the investment of £18,000. We have had over 12,500 hits on our Find Get Give website, with over 1,300 followers on Twitter
- ▶ We reached in excess of 120 million people through the mental health anti-stigma campaign #IAMWHOLE in October; this was through a TV campaign and social media plus over 100 local schools and colleges took part on the day with tailored resources provided by the project
- ▶ We reached over 1,700 children and young people through YMCA Right Here peer education workshops in schools and colleges

Our 2020 Vision is committed to involving our young people in the development and running of our organisation and in having a say and influencing externally. These are some of the things they have achieved this year:

We completed a major client satisfaction survey with the Young People's Board (YPB) this year and achieved an overall client satisfaction rating of 81%. The YPB attended some of the Board of Trustee meetings this year to share learning and discuss ideas, and also made a short film to explain the recommendations.

As well as our involvement opportunities within YMCA DLG, we have had a range of exciting opportunities enabling young people to have a voice in their communities locally and nationally:

- ▶ Youth Homelessness Parliament – two residents participated in this and attended in March, raising awareness of youth homelessness with MPs and other decision makers. 11 residents took part in a YMCA survey which fed into national research
- ▶ Youth Ambassador – one of our residents became a YMCA England Youth Ambassador in February; the role helps promote young people’s issues on a national basis
- ▶ Presenting on a local radio channel – our young people have a regular slot on Radio Y on 1 Brighton FM called “By Young People for All People”. It is led and delivered by our young people at YMCA DLG. The radio station can be found on 104.1 FM or online at www.1brightonfm.co.uk

Telling our Story

Emily is a resident with us and experiences issues with her emotional health regularly; she is an example of our work supporting young people to belong, contribute and thrive. During her time at YMCA DLG she has worked with our staff to set herself goals, small at first, building in confidence and stamina to get involved in many opportunities within YMCA and outside of our services.

From being a resident representative, to a Scout Leader in her local community, Emily has seized opportunities and it has been a pleasure to see what she does next. She is currently a Youth Ambassador for YMCA England and she is pictured here with her Young Leader of the Year Award from YMCA England Youth Matters Awards.



Emily with her award

Financial Performance Review

In a year where there has been further financial pressure on public funded services, our budgets have been tightly managed. With the disposal of Lewes YMCA and Marmion Road buildings plus the purchase of Eastbourne and Horsham Y Centres with their associated revenue grants, this has resulted in the charity achieving a positive year end position.

Developing a Balanced Growth Strategy

The income for the year increased by 7.4% to £12,119k (2016: £11,280k) which includes a £901k grant that was received from Y England, being a discount on the purchase price of the two Y Centres, and has been recognised using the performance model for grants as directed by the Housing SORP. The small underlying reduction in operating income year on year has arisen from the closure of the Nursery in July 2016 on the sale of Lewes YMCA, and the loss of 11 months housing income whilst Midway House has been undergoing redevelopment. However this has largely been offset by reporting a full year of the WSCC Counselling contract, increased activity within the Empty Homes Programme completing 26 units during the year (2016: 12) and a positive result to fund raising campaigns that have added an additional £149k financial support for front line services.

Income and Expenditure Summary	2017 £'000	2016 £'000	Movement
Income	11,218	11,280	-0.5%
Grants relating to purchase of Horsham and Eastbourne Y Centres	901	-	100.0%
Total income	12,119	11,280	7.4%
Operating costs	(11,249)	(11,351)	0.9%
Pension deficit adjustment	(60)	-	-100.0%
One off costs	(264)	(143)	-84.6%
Total costs	(11,573)	(11,494)	-0.9%
Operating surplus / (deficit)	546	(214)	355.1%
Net Interest	(21)	(54)	61.1%
Disposal of properties	2,345	7	33400.0%
Surplus / (deficit) for the year	2,870	(261)	1199.6%

Overall costs increased by 0.9%, however much of this has been identified as one off, showing an underlying trend of cost reduction as the Charity constantly strives to provide value for money. The one off costs identified include those relating to the final year delivery of a restricted funded project where income was included in prior years, closure costs relating to the sale of the properties and restructuring costs incurred within Social Housing as the charity prepares for future funding cuts.



Deriving Best Value from Physical Assets

The asset optimisation programme that the Charity has continued to progress during the year had a significant impact on the results, with the sale of Lewes YMCA and Marmion Road buildings netting a surplus of £2.3m, the purchase of Eastbourne and Horsham Y Centres increasing the housing stock and asset base by £7.1m and the commencement of the redevelopment of Midway House in Guildford. During the year loans of £1.4m were repaid and a new facility with the Charity Bank for £2.5m was arranged in order to fund the redevelopment of Midway House from 13 to 34 units. As at the end of March 2017, £500k of this loan facility had been drawn down. Key covenants associated to the bank loan include debt service cover, gearing ratios and asset cover. During the year and post year end all covenants were met.

A grant was received from the Homes and Communities Agency for the redevelopment of Midway House of £1.2m of which £900k had been received at the end of the financial year. Work is still progressing on this property with capital commitments of £2.4m outstanding at the year end and a target for the property to be ready for occupancy in the autumn.

As a result of a number of transactions during the year, our cash balance has improved by £986k.

Sussex Central YMCA Trading Ltd was dissolved during the year, resulting in the group operating with a single trading entity going forward. With the sale of the Lewes YMCA property, the company and charity Lewes and District YMCA will be wound up during the next financial year.

The accumulated funds of £9,019k, including restricted reserves of £63k, have increased by £2,870k largely due to property transactions, the purchases of Eastbourne and Horsham Y Centres, the redevelopment of Midway House and the sale of Lewes YMCA and Marmion Road. The charity has a low level of free reserves due to the high value of assets held. The trustees are conscious of the need to increase free reserves and have a cash management policy to hold a minimum of £1m cash which equates to approximately one month of operating cash outflow. 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.

Improving Efficiencies - Value for Money Statement

As a registered social landlord required to meet the Homes and Communities Agency Value for Money (VfM) standard we work to the principle of the 3 Es, Economy, Efficiency and Effectiveness, achieving the optimum balance between all three:

- ▶ Economy – minimising the cost of resources used or required (spending less)
- ▶ Efficiency – the measure of productivity or how much is gained from the input (spending well)
- ▶ Effectiveness – the measure of impact achieved both qualitative and quantitative (spending wisely)

In addition we apply a fourth 'E':

- ▶ Equity – the extent to which the service is available and reaches all those intended and we extend this to include ethical considerations (spending fairly)

We aim for our services to be sustainable and improving efficiencies and keeping costs down helps us in this aim. This year we committed to a schedule of internal audits with MAZARS, independent auditors, and following the financial year they undertook an audit of our value for money activity. We note the findings of the MAZARS audit made this year, and have an action plan to further improve our framework in this area.

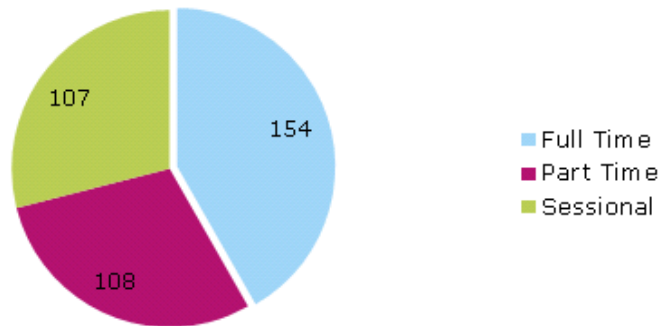
This year's Trustee Report demonstrates value for money against our missional strategic objectives and here are some further examples of reviews and restructures which have been completed:

- ▶ Community and Property Services Division have undergone a major staffing restructure which we anticipate will save us £206k next year
- ▶ Reviewed on-call staffing costs extending the staff remit - £7k per annum saving
- ▶ Increased our volunteering base including honorary counsellors and student placements from 150 to 160 volunteers
- ▶ Disposed of 2 buildings that were becoming expensive to maintain and recycled the money into increasing our housing stock
- ▶ Broadband and communications review £10k per annum saving achieved
- ▶ One off savings by purchasing reconditioned computer equipment or recycling by replacing / upgrading parts on existing equipment - £4k
- ▶ Reviewed subscriptions and cancelled where not required - £2k saving
- ▶ Reviewed the use of office space at Horsham Y Centre - £2k saving
- ▶ Stationery review - £4k saving

Investing in Staff

The impact our YMCA is able to make comes from the skill and commitment of our staff. Central to our resourcing strategy is investing in our staff and volunteers. Over the last year we made important progress implementing our new leadership structure recruiting new members to the team. This will help us ensure we have the capacity to deliver strong local and technical based leadership across our YMCA.

In 2016-17 we had a reduction in contracted staff of 6%, and an overall reduction of 8%. Our voluntary turnover was 18%. Our average number of contracted staff in the year was 262.



Our 168 volunteer workers can mostly be found in our Children and Young People's directorate (74%) as many of its services are supported by volunteer workers; 21% of our volunteers are in Central Services, and 5% are in our Community and Property services.

We have invested in our staff and volunteers in the following ways this year:

- ▶ Continued to invest in our trauma informed philosophy of service delivery through the Reflective Practice Supervision model. This supports frontline staff to reflect on the challenges they experience in their work, and on the trauma informed approach
- ▶ Reviewed our benefits contract with a provider to enable staff to receive support around their health and wellbeing
- ▶ Invested in our HR records database to hold both staff and volunteer details, and to improve our monitoring of training
- ▶ Reviewed and restructured our Community and Property Services, to enable us to deliver our services more effectively and create opportunities for career progression

Remuneration for the Chief Executive is determined by the trustees. The Chief Executive in consultation with the People and Participation committee determines the pay for key personnel and any annual uplift for the staff, based on market forces.



QUALITY

Compliance Statement

YMCA DLG meets the requirements set out by the Charity Commission, Homes and Community Agency (HCA) Framework standards and complies with all relevant statutory legislation.

We have a quality management system that is independently audited against ISO 9001:2008 and this year we have had external auditors, MAZARS, undertake a variety of independent audits, against the HCA Framework and other legal and regulatory standards.

Our internal audits help us evidence our quality framework and identify areas for improvement. For example, this year we piloted a new lone worker training with two internal trainers who can deliver accredited Suzy Lamplugh Lone Worker training.

Quarterly compliance reports are overseen by the Finance and Audit Committee which reports to the Board of Trustees.



QUALITY

Measuring Impact and Telling our Story

This year we have developed a new set of internal performance measures, reported to the Trustees on a regular basis. We have also made good progress with collecting client stories which bring the work of the organisation to life, some of which are included in this report. We have also made short films to show commissioners, and other stakeholders about the impact of our work, including a volunteer celebration film and a film about our advice service which was told by clients.



QUALITY

Building Strong Leadership and Governance

In addition to strengthening our Leadership Team we also recruited three new trustees and had two trustees retire. John Holmstrom is CEO of Worthing Churches Homeless Project and brings important executive and housing experience to our Board. Caroline Stearman is a freelance consultant bringing extensive experience and specialist knowledge on organisational culture and change. Rob Wilkinson is Finance Director for

the THB Group and brings important senior executive finance and operational experience to our Board.

QUALITY

Risk Management and Internal Quality Controls

Risk Management is taken seriously across the organisation and we ensure that we have a comprehensive understanding of risk management through our governance structure and risk management framework.

The Board of Trustees has overall responsibility for ensuring we have an appropriate management system that includes:

- ▶ A Strategic Plan that is regularly refreshed
- ▶ A realistic and appropriate budget to support the plan that is carefully monitored
- ▶ Appropriate delegation of authority to relevant Committee and Executive and Leadership team members
- ▶ Regular reviews and audits of key areas
- ▶ Organisational risk management policy and register

We undertook a review of our Risk Register this year which started at Board level, and involved staff from different levels. We have commissioned independent audits through MAZARS to check our risk management and we were pleased with their findings; their end of year report stated, *"in our opinion, YMCA DownsLink has in place an appropriate framework for identifying, evaluating and managing the significant risks."*

The organisation's Risk Register is the responsibility of the Chief Executive which is reviewed on a regular basis. Our top 5 risks were as follows:

1. Serious incident involving staff and or service user – this has remained our top risk and we have taken extra measures to help mitigate this risk, including rolling out Lone Worker training, and revisiting our staffing structures in our accommodation projects and investing in lone worker technology

2. Government legislation rent capping – we have undertaken extra measures including financial re-forecasts to ensure we are prepared and financially fit to respond to changes in income; we have tested and are developing our housing models to be viable under new LHA proposals. We have contributed to the government's recent sector consultation through the work of our national YMCA Federation

3. Poor outcomes for service users – we have made good progress in demonstrating that we can show and maintain positive outcomes for our clients even in challenging economic, social and political times through our monitoring records, and our case studies (e.g. our Snapshot publications)

4. Significant reduction in public & statutory funding – we have developed mitigation plans which show that we can meet our bank covenants, and have factored in rent capping over the next four years. The social, financial and political climate is still very uncertain and there is clearly a strong possibility of further reductions in public funding that could affect our organisation and it is important we continue to develop our strategy in mitigating this risk and reducing our reliance on public funding

5. Inadequate maintenance of properties – our building assets are central to our work and it is essential that we continue to invest in them and ensure they are fit for purpose. We are pleased to be in the active phase of developing our YMCA Guildford Foyer and to have secured additional HCA funds to support the refurbishment of YMCA Crawley Foyer. Over the coming year we will need to revisit our long term asset maintenance plan and further develop our investment strategy

We are taking actions to address areas for improvement identified through audit, and these actions are being monitored through the Head of Quality, Compliance and Participation, and our Finance and Audit Committee.

We do recognise increasing levels of need amongst young people as statutory services are cut, and the challenges of maintaining adequate funding to provide services. However, we feel better placed to engage and understand risk through better reporting this year and from the valuable expertise acquired through MAZARS.



PARTICIPATION

Involvement of our young people, communities and staff is at the heart of the culture of our YMCA and reflects what is special about the YMCA Movement across the world. Many of our services rely on trained volunteers, as well as paid staff. Volunteers play an important role in terms of additional resource, but more importantly in terms of our mission, showing young people that their communities care, helping them to feel they belong.



PARTICIPATION

Embodying YMCA Federation Rights and Responsibilities

The YMCA Federation is changing; this year Wales joined us and we became the YMCA Federation of England & Wales. The Federation also launched a significant consultation process in response to the challenging social, financial and political environment. The consultation process has led to a refresh of the YMCA Federation strategy, which will help shape the type of Federation we need to be with a strong focus on greater collaboration, influence and impact. YMCA DLG remains committed to playing an active and supportive role in the development of the YMCA Federation of England & Wales.



PARTICIPATION

Engaging with Local Communities

Forging positive and active links in our communities is a vital part of successfully achieving our 2020 Vision. The *Youth Minded Community Approach* we are taking relies upon enabling positive relationships between our young people and our communities. Volunteers coming in from the communities to support our work will help strengthen the work we do.

Social impact and value for money

- ▶ Our volunteering projects contribute to the local labour market, enabling people to receive training, support and work experience which in many cases leads to paid employment locally. Across YMCA DLG we ended the year with 168 volunteers. If each volunteer was paid the minimum wage we estimate they

contributed a value of between £168,000 - 170,000 (based on 3 hours per week over 48 weeks)

- ▶ YMCA Positive Placements' volunteer mentors and YMCA Chaplains bring important skills and additional capacity to provide our children and young people with ways to belong, contribute and thrive
- ▶ YMCA Positive Placements has over 25 mentors engaging with our young people to help them find work or training; 23 chaplains provide safe spaces to engage in activities such as cooking, whilst also providing listening support
- ▶ Strong links in our communities lead to increased capacity to fundraise. This year's Sleep Easy event raised over £45,000 in total. The event helps spread awareness of the work we do, particularly around homelessness prevention
- ▶ Over 100 participants took part in Sleep Easy which was our most successful fundraising event this year. We were delighted to see a big increase in community members getting involved



Horsham



Guildford



Brighton & Hove

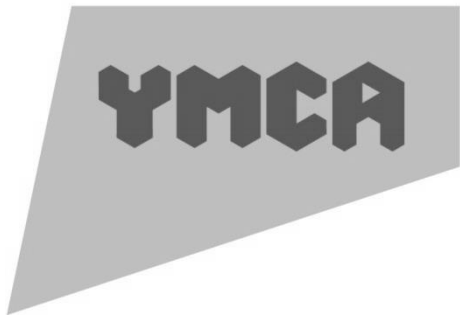
"Sleep Easy was superbly organised! This is a great event and worth doing to get a small taste of how it must be to sleep rough. My first comments on waking were – 'that was OK but I wouldn't want to do it every night.'" Sleep Easy 2017 participant

A green triangle pointing to the right, containing the word 'PARTICIPATION' in white, uppercase letters.

PARTICIPATION



Empowering Local YMCA Services

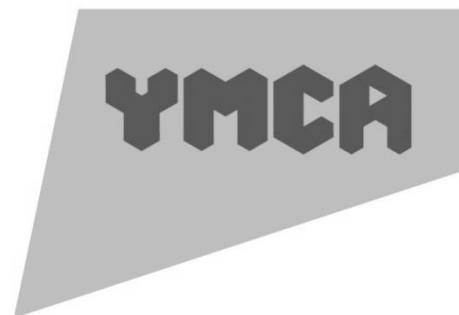
As our YMCA has grown it has been important to us that we don't lose the connection we have with local communities. In our 2020 vision we are strong in our commitment to *empower local services and communities*. Our 2020 Vision set out a new structure based on YMCA localities and YMCA services. We committed to the investment in leadership to support this structure and we are delighted to welcome our new members this year: Jamie Guest, Head of Learning and Mark Cull, Head of Young People's Services. The Leadership Team will be responsible for taking forward engagement with our communities.





Our Plans for 2017-18

We are proud of the achievements we had in 2016-17 against our strategy, and plan to build on this into next year. Supported by our strategy refresh exercise with our Board of Trustees and Executive & Leadership Team in March 2017, we will do the following in 2017-18:

	2020 Vision Strand	Plan for 2017-18
 MISSION	Helping Young People Belong	Better balance the resourcing requirements of our frontline services with the current and emerging needs of young people in our local communities
	Helping Young People Achieve	Invest in the development of a strong employability, education and engagement offer for young people
	Keeping Children and Young People Safe	Increase our investment in keeping young people safe
	Supporting Wellbeing in Young Lives	Increase the reach and impact of our wellbeing and therapeutic services
	Empowering Young People to Influence	Strengthen the voice of young people
 RESOURCE	Developing a Balanced Growth Strategy	Set a balanced budget for 2017-18
	Deriving best value from our assets	Improve the quality of our buildings
	Investing in our Staff	Continue to invest in, value, and develop our people



	2020 Vision Strand	Plan for 2017-18
	Measuring our Impact and Telling our Story	Build on the strong foundations of last year's work on measuring our impact and telling our story Develop our 2020 Vision by identifying a set of values that resonate with our ethos and mission, staff, young people and stakeholders
	Building Strong Leadership and Governance	Strengthen the leadership and governance of our YMCA
	Managing Risk Effectively	Continue to balance risk and mission by a doing a 'ground up' review of our risk register
	Empowering Local YMCA Services	Devolve a greater level of decision making to local services
	Engage with Local Communities	Increase the number of volunteers supporting our work
	Adopting a lead role in the YMCA Federation	Undertake more collaborative working with other local YMCAs

Corporate Governance Information

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 Trustees is the central decision making body of the Company. It comprised of 10 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.

Equality and Diversity

YMCA DownsLink Group (YMCA DLG) is an organisation that values diversity and promotes equality of opportunity. We do not tolerate discrimination on grounds of gender, gender identity, marital status, sexual orientation, race, colour, nationality, religion, age, disability, HIV positivity, working pattern, caring responsibilities, trade union activity or political beliefs – or any other. We provide inclusive services which are open to all.

The charity has in place relevant policies and procedures, and its services are planned and delivered in consultation with other agencies and our clients (service users). We have an Equal Opportunity and Diversity Policy which is reviewed regularly and we have related mandatory training for our staff and volunteers. Our Equality and Diversity Forum meets quarterly to review our policy and practice and looks at how we can actively support and raise awareness of equalities issues within our organisation and the communities we work within; the forum monitors the demographic of our client group to ensure that we are being accessed by clients and that clients from minority groups feel we are inclusive and accessible.

Board and Committee Meetings

The Board aims to meet at least 6 times a year. YMCA DLG has two committees: the People and Participation Committee, and the Finance and Audit Committee. These have defined Terms of Reference, and report to the Board.

Statutory and Regulatory Requirements

We have adopted the NHF Code of Governance. We have one area in which we our constitution does not meet the eight standards of the NHF Code of Governance, and that is because our YMCA DLG constitution allows for 15 Trustees and the Code states a maximum of 12. As at the year end we had 10 trustees so are currently operating within the Code of Governance requirements.

Investment Powers

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

Public Benefit Statement

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

This is demonstrated in pages 3 to 12 of this report.

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 DLG 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

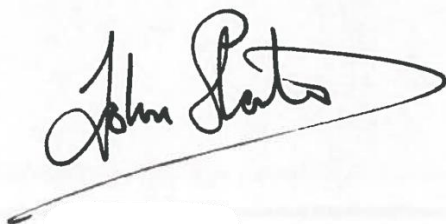
So far as the Trustees are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

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

Auditors

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

This report, including both the Trustees' Report and Strategic Report, was approved by the Trustees on 7 September 2017, and was signed for and on behalf of the board by:



John Slater
Chair of the Board of Trustees
7 September 2017

List of Trustees, Advisers and Executive Team

Registered Office

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

Charity Number	1079570
Company Number	3853734
HCA Registered Number	4644

List of Board Members

John Slater	Chair
Ingrid Beatty	Vice Chair
Peter Jeffrey	
John Holmstrom	Appointed 8 Feb 2017
James Lister	
Peter McMahon	Resigned 1 Apr 2017
Richard Nerurkar	
Deborah Pepper	
Richard Smillie	Resigned 1 Apr 2017
Caroline Stearman	Appointed 8 Feb 2017
Robert Wilkinson	Appointed 8 Feb 2017
Andrew Wilson	

Finance and Audit Committee

Don Bawtree	Independent Chair
Andrew Carvell	Independent - Resigned 2 Mar 2017
Peter Jeffrey	Trustee
Carol Long	Independent
Peter McMahon	Trustee - Independent from 1 Apr 2017

People and Participation Committee

Ingrid Beatty	Trustee and Chair
Deborah Pepper	Trustee
Andrew Wilson	Trustee

Executive Team

Charles Walker	Chief Executive Officer
Rachel Brett	Director of Children and Young People
Anne Cairns	Director of Community and Property Services
Eleanor Clarke	Head of Quality, Compliance and Participation
Fiona Hall	Head of Human Resources
Ann Longhurst	Interim Director of Finance

<p>Solicitors Griffith Smith Farrington and Webb 47 Old Steine Brighton BN1 1NW</p> <p>DMH Stallard Gainsborough House Pegler Way Crawley RH11 4FZ</p> <p>Bankers The Royal Bank of Scotland plc PO Box 300 Brighton BN1 9TE</p> <p>The Charity Bank Ltd Fosse House 182 High Street Tonbridge Kent, TN9 1BE</p>	<p>Auditors haysmacintyre 26 Red Lion Square London WC1R 4AG</p> <p>Internal Auditors MAZARS LLP, Tower Bridge House St Katharine's Way London E1W 1DD</p>	<p>Company Secretary Peter Brayne Wise Governance Ltd 35 Old Palace Road, Guildford, Surrey GU2 7TX</p>
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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 2017 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. 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

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 2017 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 2015

Opinion on other matters prescribed by the Companies Act 2006

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

- ▶ The information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ The Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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



Adam Halsey, Senior Statutory Auditor

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

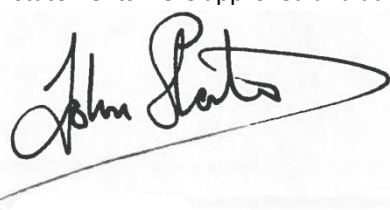
Date: 7 September 2017

Consolidated Statement of Comprehensive Income For Year Ended 31 March 2017


	Notes	Social Housing Activities £	Trading Activities £	Charitable Activities and Other Income £	2017 Total £	2016 Total £
Turnover from continuing operations						
Social housing lettings	2	8,636,164	-	-	8,636,164	7,329,221
Trading activities	10	-	530,854	-	530,854	620,122
Charitable activities and other income	4	-	-	2,952,179	2,952,179	3,330,786
		<u>8,636,164</u>	<u>530,854</u>	<u>2,952,179</u>	<u>12,119,197</u>	<u>11,280,129</u>
Operating costs						
Social housing lettings	3	(7,840,786)	-	-	(7,840,786)	(7,345,856)
Trading activities		-	(527,425)	-	(527,425)	(618,877)
Charitable activities and other costs	5	-	-	(3,204,688)	(3,204,688)	(3,529,715)
		<u>(7,840,786)</u>	<u>(527,425)</u>	<u>(3,204,688)</u>	<u>(11,572,899)</u>	<u>(11,494,448)</u>
Operating surplus / (deficit)		795,378	3,429	(252,509)	546,298	(214,319)
Interest receivable and other income		-	-	8,124	8,124	3,856
Interest payable and similar charges		(26,585)	-	(4,219)	(30,804)	(57,612)
Unrealised gain / (deficit) on investments		-	-	787	787	(546)
Disposal of properties		-	-	2,345,252	2,345,252	7,273
Surplus / (Deficit) on ordinary activities		768,793	3,429	2,097,435	2,869,657	(261,348)
Net movement in funds		768,793	3,429	2,097,435	2,869,657	(261,348)

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 2017 and signed on their behalf by:



John Slater (Chair)
7 September 2017



Ingrid Beatty (Vice Chair)
7 September 2017

The notes set out on pages 36 to 48 form part of these financial statements

Consolidated Statement of Financial Position

As at 31 March 2017

Registered number: 3853734

	Notes	2017		2016	
		Group £	Charity £	Group £	Charity £
FIXED ASSETS					
Social housing properties	9	15,585,767	15,585,767	7,234,387	7,234,387
Other properties	9	698,307	698,307	1,746,660	1,060,519
Other tangible assets	9	278,720	278,720	321,153	316,852
		<u>16,562,794</u>	<u>16,562,794</u>	<u>9,302,200</u>	<u>8,611,758</u>
Investment in subsidiary	10	-	2	-	4
		<u>16,562,794</u>	<u>16,562,796</u>	<u>9,302,200</u>	<u>8,611,762</u>
CURRENT ASSETS					
Stocks	12	1,780	1,780	1,495	1,495
Debtors	13	866,232	896,362	952,600	892,772
Investments	11	5,594	5,594	4,802	-
Cash at bank and in hand		2,203,235	2,130,773	1,217,726	1,117,901
		<u>3,076,841</u>	<u>3,034,509</u>	<u>2,176,623</u>	<u>2,012,168</u>
CREDITORS					
Amounts falling due within one year	14	(2,981,106)	(2,948,776)	(2,422,115)	(2,299,523)
NET CURRENT ASSETS / (LIABILITIES)		<u>95,735</u>	<u>85,733</u>	<u>(245,492)</u>	<u>(287,355)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,658,529</u>	<u>16,648,529</u>	<u>9,056,708</u>	<u>8,324,407</u>
CREDITORS					
Amounts falling due after one year	15	(7,639,067)	(7,639,067)	(2,906,903)	(2,716,386)
NET ASSETS		<u>9,019,462</u>	<u>9,009,462</u>	<u>6,149,805</u>	<u>5,608,021</u>
FUNDS					
Unrestricted funds:					
General reserve	17	8,954,723	8,944,723	5,857,275	5,316,635
Revaluation reserve	17	1,931	1,931	1,144	-
Restricted funds	16	62,808	62,808	291,386	291,386
		<u>9,019,462</u>	<u>9,009,462</u>	<u>6,149,805</u>	<u>5,608,021</u>

These financial statements were approved and authorised for issue by the Directors on 7 September 2017 and signed on their behalf by



John Slater (Chair)
7 September 2017



Ingrid Beatty (Vice Chair)
7 September 2017

The notes set out on pages 36 to 48 form part of these financial statements

Consolidated Statement of Cash Flows For Year Ended 31 March 2017

		2017		2016	
Notes		£	£	£	£
Cash flow from operating activities					
Surplus / (Deficit) for the year			2,869,657		(261,348)
Adjustments for non-cash items:					
Depreciation	8	390,383		330,860	
Decrease / (increase) in stocks		(285)		26	
(Increase) / decrease in debtors		86,368		64,803	
Increase / (decrease) in creditors		522,458		239,492	
(Surplus)/Deficit on disposal of assets		(2,408,152)		(4,586)	
Pension costs less contributions payable		(10,139)		(68,855)	
Government grants utilised in the year		(37,473)		(22,533)	
Unrealised investment (gain) / loss		(792)		514	
Interest payable		30,804		57,612	
Interest receivable		(8,124)		(3,856)	
			(1,434,952)		593,477
Net cash inflow/(outflow) from operating activities			1,434,705		332,129
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	(8,692,946)		(244,783)	
Sale of tangible fixed assets		3,450,121		654,030	
Grants received		5,733,028		-	
Interest received		8,124		3,856	
Sale of investments		-		1,581	
			498,327		414,684
Cash flow from financing activities:					
Loan interest paid		(30,804)		(57,612)	
Repayment of borrowings		(1,416,719)		(416,468)	
New secured loan		500,000			
			(947,523)		(474,080)
Increase / (decrease) in cash in the year			985,509		272,733
Reconciliation of net cash flow to movement in net cash funds					
Net cash funds at beginning of year			1,217,726		944,993
Change in net funds during the year			985,509		272,733
Net cash funds at end of the year			2,203,235		1,217,726

The notes set out on pages 36 to 48 form part of these financial statements

Notes to the Financial Statements

For Year Ended 31 March 2017

1. ACCOUNTING POLICIES

a) Status

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

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

Basis of Preparation

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

Basis of accounting

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

The main areas of estimation and judgement affecting the accounts:

- Depreciation

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

- Accrual for deficit contribution to the defined benefit pension scheme

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

- Provisions

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

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

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

No complex financial instruments are held.

YMCA DownsLink Group is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary companies, Lewes and District 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 Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).
- e) **Investment income**
Investments are included in the financial statements at market value.
- f) **Empty Homes**
The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.
- g) **Pension costs**
YMCA 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. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA DownsLink Group.

As described in note 20, YMCA DownsLink Group has a contractual obligation to make pension deficit payments of £72,737 per annum over the period to April 2027, accordingly this is shown as a liability in note 20 to these accounts.

In addition, YMCA DownsLink Group is required to contribute £12,390 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.
- h) **Fixed Assets**
- i) **Housing Properties**
- Definition and recognition**
Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed 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: | |
| Structure | 50 - 100 |
| Pitched Roof | 50 - 75 |
| Flat Roof, Windows, External Doors | 25 - 30 |
| Wiring, lift and heating systems | 10 - 30 |
| Bathrooms | 5- 25 |
| Kitchens | 20 |
- Freehold land is not depreciated.

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

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

- g 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, Fittings and Equipment | 10 - 25% on cost |
| Leasehold Improvements | 25 % on cost or over the remaining life of the lease whichever is shorter |
| Cycles | 100% on cost |
- i) **Stocks**
Stocks are consistently valued at the lower of cost and net realisable value.
- j) **Volunteers, Donated Services and Facilities**
The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report
- k) **Irrecoverable VAT**
All resources expended are classified under activity headings that aggregate all costs related to that category. Non-attributable irrecoverable VAT is charged to support costs as part of central costs.
- l) **Operating Leases**
The charity classifies the lease of printing, photocopy, and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years 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*
Unrestricted reserves are reserves which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.
- Restricted Reserves*
Restricted reserves are funds which are expendable as directed by the donor.
- Revaluation reserves*
Revaluation reserves arise when fixed assets are revalued. Depreciation of the revalued amount is transferred to the revaluation reserve.

2. TURNOVER FROM HOUSING ACTIVITIES

	2017	2016
	£	£
Rent and Service charges:		
Rent receivable	4,863,368	4,447,511
Service charges receivable	298,200	304,885
Amortised Government Grant	37,473	22,533
	<u>5,199,041</u>	<u>4,774,929</u>
Other revenue:		
Supporting People	1,665,195	1,814,305
Other Social Housing income	871,428	739,987
Grants received on purchase of Y Centres *	900,500	-
	<u>8,636,164</u>	<u>7,329,221</u>
Rent and service charge losses from voids	<u>(272,238)</u>	<u>(227,785)</u>

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

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2017	2016
	£	£
Housing accommodation – number of units	571	544
Managed Housing – number of units included in above total	103	156
	£	£
Housing Services	3,956,350	3,685,116
Housing Support	1,575,888	1,689,974
Share of central overheads	1,376,375	1,181,646
Development costs	152,236	100,854
Repairs and maintenance	241,967	321,818
Rent losses from bad debts and provision	287,430	177,734
Depreciation of housing properties	250,540	188,714
	<u>7,840,786</u>	<u>7,345,856</u>

4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME

	2017	2016
	£	£
Sports, Youth and Community	619,366	639,161
Therapeutic Services	971,449	1,100,845
Support Services: Children, Young People and Families	917,585	1,008,398
Horsham YMCA	66,820	114,811
Lewes and District YMCA Activities	135,974	327,388
Other Income	240,985	140,183
	<u>2,952,179</u>	<u>3,330,786</u>

5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS		
	2017	2016
	£	£
Sports, Youth and Community	842,717	693,253
Therapeutic Services	968,908	1,292,331
Support Services: Children, Young People and Families	1,149,936	1,088,027
Horsham YMCA	77,246	124,006
Lewes and District YMCA Activities	165,881	332,098
	<u>3,204,688</u>	<u>3,529,715</u>

6. STAFF COSTS		
	2017	2016
	£	£
Salaries and wages	5,881,693	6,006,483
Social security	471,456	488,927
Pension costs	210,770	169,355
Life Assurance	23,221	30,754
Healthcare	14,860	14,415
Redundancy/Compensation	37,563	133,850
	<u>6,639,563</u>	<u>6,843,784</u>

The average number of employees paid during the year was:

Full Time and Part Time Employees	346	354
Full Time equivalent	239	227

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the Directors received any remuneration in the current or prior year. Three Directors (2016: four) received reimbursed expenses for travel costs amounting to £1,104 (2016: £687). The Charity has Directors and Officers Liability insurance in place.

The aggregate emoluments of the Executive Team were £379,373 (2016: £494,105). The remuneration of the Chief Executive comprised salary of £82,500, pension contributions of £12,375 and private health of £478. (2016 incoming and outgoing CEOs combined: £108,125, £16,219 and £1,145 respectively).

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

8. OPERATING SURPLUS		
	2017	2016
	£	£
The operating surplus is stated after charging:		
Rent and Service charge losses from bad debts	137,823	172,452
Operating Leases - equipment	30,276	31,344
- land and buildings	713,374	578,365
Surplus/(Deficit)on sale of fixed assets	2,408,152	4,586
Depreciation of equipment, fixtures & fitting, motor vehicles	126,338	116,395
Depreciation of properties and components	264,045	214,465
Auditor's remuneration: External audit	22,790	27,614

9. FIXED ASSETS

	Group		Charity	
	Social Housing Properties £	Other Properties £	Social Housing Properties £	Other Properties £
Cost				
1 st April 2016	7,960,597	1,812,135	7,960,597	1,104,774
Additions	8,601,916	-	8,601,916	-
Disposals	-	(1,078,988)	-	(371,627)
31 st March 2017	<u>16,562,513</u>	<u>733,147</u>	<u>16,562,513</u>	<u>733,147</u>
Depreciation				
1 st April 2016	726,210	65,475	726,210	44,255
Charge for the year	250,536	13,509	250,536	11,150
Eliminated on disposal	-	(44,144)	-	(20,565)
31 st March 2017	<u>976,746</u>	<u>34,840</u>	<u>976,746</u>	<u>34,840</u>
Net Book Amount				
31st March 2017	<u><u>15,585,767</u></u>	<u><u>698,307</u></u>	<u><u>15,585,767</u></u>	<u><u>698,307</u></u>
31 st March 2016	<u>7,234,387</u>	<u>1,746,660</u>	<u>7,234,387</u>	<u>1,060,519</u>
			2017	2016
Properties at cost comprise:			£	£
Freeholds			11,597,543	4,124,676
Long leaseholds			5,698,117	5,648,056
Cost of properties			<u>17,295,660</u>	<u>9,772,732</u>

On purchasing the Horsham and Eastbourne Y Centres, the liability for the outstanding Social housing grants of £4,057,690 and £771,910 respectively were transferred to YMCA DownsLink Group. The purchase price of the two properties were reduced by grants received from YMCA England that were adjusted downwards to £1,780,000 and £490,000 based on an Existing Use Value for Social Housing (EUV-SH) by Richard Petty, MRICS of Jones Lang LaSalle. Redevelopment of Midway House commenced during the year. The first tranche of a social housing grant of £903,428 was received.

OTHER TANGIBLE FIXED ASSETS – GROUP

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1 st April 2016	99,809	787,783	887,592
Additions	10,417	80,613	91,030
Disposals	(10,701)	(48,211)	(58,912)
31 st March 2017	<u>99,525</u>	<u>820,185</u>	<u>919,710</u>
Depreciation			
1 st April 2016	55,423	511,016	566,439
Charge for the year	14,291	112,047	126,338
Eliminated on disposals	(8,959)	(42,828)	(51,787)
31 st March 2017	<u>60,755</u>	<u>580,235</u>	<u>640,990</u>
Net Book Amount			
31 st March 2017	<u>38,770</u>	<u>239,950</u>	<u>278,720</u>
31 st March 2016	<u>44,386</u>	<u>276,767</u>	<u>321,153</u>

OTHER TANGIBLE FIXED ASSETS - CHARITY

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1 st April 2016	99,811	766,584	866,395
Additions	10,417	80,613	91,030
Disposals	(10,703)	(27,012)	(37,715)
31 st March 2017	<u>99,525</u>	<u>820,185</u>	<u>919,710</u>
Depreciation			
1 st April 2016	55,424	494,119	549,543
Charge for the year	14,291	111,395	125,686
Eliminated on disposals	(8,960)	(25,279)	(34,239)
31 st March 2017	<u>60,755</u>	<u>580,235</u>	<u>640,990</u>
Net Book Amount			
31 st March 2017	<u>38,770</u>	<u>239,950</u>	<u>278,720</u>
31 st March 2016	<u>44,387</u>	<u>272,465</u>	<u>316,852</u>

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, Sussex Central YMCA (Trading) Limited, which is incorporated in England and Wales was dissolved on 7 February 2017 and the assets transferred to the DownsLink Group.

	2017	2016
	£	£
Turnover	-	15,844
Grants released in year	-	890
Cost of sales and administrative expenses	-	(89,224)
Miscellaneous income	-	72,472
Interest receivable	-	18
Profit / (Loss) for the period	-	-

The wholly controlled company Lewes and District YMCA is incorporated in England and Wales. During the year the charity ceased trading and donated its net assets to YMCA DownsLink Group. A summary of its results is shown below:

Grants, donations and project income	115,722	250,148
Rental income	21,002	80,240
	136,724	330,388
Total resources expended	(200,104)	(298,142)
	(63,380)	32,246
Interest receivable	2,787	-
Disposal of property	1,812,569	-
Charitable donation to YMCA DownsLink Group	(1,751,976)	-
Surplus for the period	-	32,246

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	527,946	527,258
Grants released in year	2,908	3,658
Cost of sales and administrative expenses	(527,425)	(529,650)
Interest receivable	-	16
	3,429	1,282
Charitable donation to parent undertaking arising from the period ended 31 st March 2017	(3,429)	(1,282)
Net Profit	-	-

11. INVESTMENTS

	2017		2016	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
Santander	588	100	430	100
Santander shares received in lieu of dividends	4	-	29	-
COIF – Charities Investment Fund	5,002	453	4,343	453
	5,594	553	4,802	553

12. STOCKS

	2017		2016	
	Group	Charity	Group	Charity
	£	£	£	£
Food, household stocks and paint	<u>1,780</u>	<u>1,780</u>	<u>1,495</u>	<u>1,495</u>

13. DEBTORS

	2017		2016	
	Group	Charity	Group	Charity
	£	£	£	£
Arrears of accommodation charges	357,267	357,267	201,100	201,100
Prepayments	88,183	86,683	102,832	102,028
Other debtors	420,782	415,995	648,668	371,245
Amounts owed by subsidiary undertakings	-	36,417	-	218,399
	<u>866,232</u>	<u>896,362</u>	<u>952,600</u>	<u>892,772</u>

14. CREDITORS

Amounts falling due within one year	2017		2016	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred Income	1,037,540	1,037,540	1,060,043	1,058,401
Other creditors	915,563	915,425	550,811	545,462
Trade creditors	717,427	700,679	498,479	415,423
Social security and other taxes	136,746	136,746	140,920	140,920
Bank overdraft and loans	-	-	42,560	36,579
VAT creditor	40,044	24,600	39,848	13,284
Pension deficit	72,737	72,737	66,921	66,921
Housing Grants	61,049	61,049	22,533	22,533
	<u>2,981,106</u>	<u>2,948,776</u>	<u>2,422,115</u>	<u>2,299,523</u>

15. CREDITORS

Amounts falling due after one year	2017		2016	
	Group £	Charity £	Group £	Charity £
Bank loans – Not wholly repayable within five years	500,000	500,000	1,374,159	1,183,642
Deferred Income – grants in advance	-	-	34,760	34,760
Defined Benefit Pension Deficit	661,944	661,944	677,900	677,900
Housing Grants	6,477,123	6,477,123	820,084	820,084
	<u>7,639,067</u>	<u>7,639,067</u>	<u>2,906,903</u>	<u>2,716,386</u>
Loan Maturity Analysis				
In more than one year but not more than two years	1,812	1,812	43,932	37,549
In more than two years but not more than five years	43,478	43,478	140,446	118,650
In more than five years	454,710	454,710	1,189,780	1,027,443
	<u>500,000</u>	<u>500,000</u>	<u>1,374,158</u>	<u>1,183,642</u>

During the year the Lewes loan and the Crawley Foyer loan were repaid. A new loan facility has been arranged with the Charity Bank for £2.5m at a rate of 2.25% plus base. The loan is secured on the Crawley Foyer. At the 31 March 2017 £500,000 had been drawn down.

16. RESTRICTED FUNDS – GROUP

	1 April 2016	Income	Expenditure	Transfer to unrestricted reserves	31 March 2017
Funds	£	£	£	£	£
Special Needs Reserve	4,928	-	-	-	4,928
Young Homeless Fund	1,258	-	-	-	1,258
Peter Standing Memorial Fund	1,294	42	(6)	-	1,330
Legacy – Horsham Y Centre	55,292	-	-	-	55,292
Big Lottery Fund Grant – Youth in Focus Programme	228,614	-	(228,614)	-	-
Total	<u>291,386</u>	<u>42</u>	<u>(228,620)</u>	<u>-</u>	<u>62,808</u>

RESTRICTED FUNDS – CHARITY

	1 April 2016	Income	Expenditure	Transfers	31 March 2017
Funds	£	£	£	£	£
Special Needs Reserve	4,928	-	-	-	4,928
Young Homeless Fund	1,258	-	-	-	1,258
Peter Standing Memorial Fund	1,294	42	(6)	-	1,330
Legacy – Horsham Y Centre	55,292	-	-	-	55,292
Big Lottery Fund Grant – Youth in Focus Programme	228,614	-	(228,614)	-	-
Total	<u>291,386</u>	<u>42</u>	<u>(228,620)</u>	<u>-</u>	<u>62,808</u>

17. RESERVES – GROUP

	1 April 2016	Income	Expenditure	Unrealised Gains / (Losses)	Transfers	31 March 2017
	£	£	£	£	£	£
Revaluation reserve	1,144	-	-	787	-	1,931
General reserve	5,857,275	15,727,278	(12,629,830)	-	-	8,954,723
Restricted funds	291,386	42	(228,620)	-	-	62,808
	6,149,805	15,727,320	(12,858,450)	787	-	9,019,462

RESERVES – CHARITY

	1 April 2016	Income	Expenditure	Unrealised Gains / (Losses)	Transfers	31 March 2017
	£	£	£	£	£	£
Revaluation reserve	-	-	-	787	1,144	1,931
General reserve	5,316,635	15,199,853	(12,102,403)	-	530,638	8,944,723
Restricted funds	291,386	42	(228,620)	-	-	62,808
	5,608,021	15,199,895	(12,331,023)	787	531,782	9,009,462

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 31st March 2017 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 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 £6,076 from 1 May 2017. 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. The next valuation will be prepared as at 1 May 2017 with revised annual contributions due from 1 May 2018.

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

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2017 £'000	TOTAL 2016 £'000
As at 31 March 2017	72,737	71,503	217,832	372,609	661,944	734,681	-
As at 31 March 2016	66,921	67,116	202,524	408,260	677,900	-	744,821

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 35 employees benefited from the scheme at a cost of £96,938.

In 1998 Guildford YMCA commenced a scheme with Prudential. This is a group personal plan arrangement. The contributions are expressed as a percentage of an employee's salary. The average number of employees in this scheme during the year was 1 (2016: 4) and costs for the year were £186 (2016: £3,062).

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 £9,345 (2016: £14,955) in respect of 10 employees (2016: 13).

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 £19,097 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.

	2017 £	2016 £
Land and Buildings:		
Within one year	724,986	645,893
Between one and five years	1,344,857	1,520,524
In more than five years	72,038	156,688
	<u>2,141,881</u>	<u>2,323,105</u>
Equipment:		
Within one year	13,145	18,340
Between one and five years	9,469	22,485
In more than five years	-	-
	<u>22,614</u>	<u>40,825</u>

22. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2017 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

During the year Sussex Central YMCA (Trading) Ltd transferred its assets to YMCA DownsLink Group and began the process of winding up. This was completed on 7th February 2017. Lewes and District YMCA donated their net assets to YMCA DownsLink Group and will be dissolved during the next financial year.

23. CONTINGENT LIABILITIES

At the 31 March 2017 there were contingent liabilities in respect of grants received in relation to the following properties:

- Crawley Foyer - Social Housing Grant of £423,140 and Local Authority Grant of £1,500,226
- Worthing Foyer - Social Housing Grant of £823,632
- Guildford Y Centre – Social Housing Grant of £3,050,481
- Midway House - Social Housing Grant of £1,260,843
- Horsham Y Centre - Social Housing Grant of £4,057,690
- Eastbourne Y Centre - Social Housing Grant of £771,910

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

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

24. CAPITAL COMMITMENTS

At the year end capital expenditure of £2.386m for the redevelopment of Midway House had been contracted.