



**YMCA DOWNSLINK GROUP**

# **Annual Report & Accounts 2014/15**

(A Company Limited by Guarantee)

Registered company number: 3853734  
Registered charity number: 1079570  
Registered housing provider: 4644

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## **SECTION A IMPACT AND PERFORMANCE**

### **CHAIR'S INTRODUCTION**

It has been an exciting and busy year for the organisation following our merger, in April 2014, between Sussex Central YMCA and Guildford YMCA, creating YMCA DownsLink Group. The organisation has worked hard to manage a sizeable integration process this year, which has seen us consolidate our Governance and Leadership structures to reflect the vision and objectives of YMCA DownsLink Group. We have focused on ensuring the merger strengthened and added capacity to our services whilst also creating efficiency through integrating systems, infrastructure and evaluation of building assets.

I am pleased that in this year of transition we were also able to strengthen our mission and impact through the growth in our housing stock. As the cost of housing continues to escalate I am proud that we were able to purchase the Worthing Foyer from Viridian Housing and preserve an important supported housing resource in Worthing. It is also exciting to see our Empty Homes project flourish across Sussex as we managed to bring a further 99 units of accommodation back into management for young people to live in this year. Our wider charitable work has also seen important new developments like the WISE project that works with young people at risk of exploitation. We have also seen important expansions in our counselling services in a year when the mental and emotional health of young people has made national headlines.

Like many organisations in the not for profit sector we have been experiencing the impact of changes in public funding. We have worked hard this year to adapt to these changes taking important decisions around elements of our business that have struggled financially over the past few years, such as exiting from our charity shops' enterprise and the review of all our buildings to ensure we get best value from these assets. We have also focused on the prudent management of the organisation ensuring the merger enabled us to spread our cost base and make important efficiency savings.

Over the past year, our underlying business made a deficit of £129,589 but with asset disposals our consolidated position before taxation was a surplus of £121,489. Although we still have more work to do on improving our finances I am encouraged that we ended the year with a better than budgeted position.

We are an organisation that appreciates the need to balance efficiency with investment to ensure we remain fit for purpose in meeting the needs of our residents and wider beneficiaries. Our workforce is the organisation's most important asset and it has been exciting to embark on an innovative new training and development programme to improve our awareness of psychological trauma in childhood and adolescence; developing our staff's skill to both understand the impact of trauma and work in a more trauma informed way. The organisational wide training has been influential in how we develop and deliver services to the most marginalised young people in our society and is already improving the positive impact our organisation has on so many young lives.

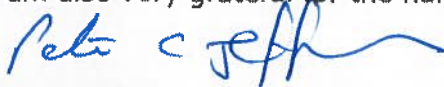
As we head into 2015-16 we will continue to support and invest in our core mission as we challenge ourselves to make our organisation more participative ensuring young people can influence our organisation from front line services to participation in the governance of the organisation. The establishment of our new participation strategy will be an important goal for the coming year.

As we look to a future with a lot of uncertainty as Government policy continues to impact our sector I am pleased to be part of such an important Movement as the YMCA. Our long history, clear mission and supportive national networks will be invaluable as we adapt and transition the YMCA DownsLink Group. I am particularly pleased at the role our organisation is playing in the Movement as an early adopter of our new dynamic national brand. This important work has provided us with a more modern interpretation of the Movement's Christian foundation with an inclusive mission statement and values that reflect the motivation of our organisation. These have been well received by our staff and give us a much clearer identity and purpose as we head into a new chapter in the organisation's history.

I would like to take this opportunity to thank all our staff for their hard work over the past year and to recognise the important and wide ranging support we receive from our volunteers, organisational supporters, partners and stakeholders.

In particular, I would like to record my sincere appreciation to David Standing who retires this month after 24 years' service as Chief Executive. It is in large part due to David that the organisation is in such a good position today. We now look forward to a new era under our new Chief Executive (previously Deputy Chief Executive) Chas Walker who brings a wealth of experience and understanding of the organisation to his new role.

I am also very grateful for the hard work of the Board in this very challenging year.



**Peter Jeffrey**  
**Chair of the Board of Trustees**  
**Date:**



## Chief Executive's Introduction

We have an exciting and important vision for our organisation, as we work in our local communities helping young people to *belong, contribute and thrive*. Over the last decade we have consistently increased our reach and the impact our organisation has been able to make in delivering its mission and this year has been no exception.

As CEO I have been struck this year by the increasing need for our services even in the more affluent communities in which we work. We have never seen so many young people approach our organisation in need of appropriate housing. There has been national press coverage of increasing emotional and mental health issues amongst young people and we have seen this on a daily basis in our schools, community counselling and wellbeing services.

At a time when we are seeing unprecedented strain on public finances with difficult decisions being made at national and local government levels, I am concerned about the impact of these decisions and the adverse effect on the lives and opportunities for young people. I am proud to be part of an organisation whose services are making a real difference in the lives of over 15,000 children, young people and their families this year. I am also proud to be part of the wider YMCA Movement in this country which is working at a national level to raise the awareness of the issues our young people face through campaigning and influencing government.

The following Trustees' Annual Report, which includes both the Director's Report and the Strategic report as required by UK company law details the impact and performance of our registered social housing operation, our wider charitable work and our trading and enterprise initiatives. We also detail how we have performed against the targets we set ourselves at the beginning of the year as well as demonstrating the value for money we offer our residents, beneficiaries, stakeholders and wider communities.



**David Standing**  
**Chief Executive**  
**YMCA DownsLink Group**  
**Date:**

## **1. OUR ACCOMMODATION AND HOUSING SUPPORT SERVICES**

### **Scope of our Social Housing Operation**

- Our stock covers East Sussex, Brighton and Hove, West Sussex and Surrey
- We own under freehold or long leasehold 196 units of accommodation
- We have contractual lease and management arrangements on 352 units of accommodation
- We have 413 units of contracted housing support services across Sussex and Surrey
- We are a major supported housing strategic partner with West Sussex County Council, Brighton and Hove City Council and Surrey County Council

### **Our Highlights 2014-15**

- We provided 709 young people with somewhere to live
- We provided 820 young people with a housing support service that supported them towards independence
- We helped 293 young people move on in a planned way towards independent living
- We provided our residents with a maintenance service where 92% of repairs were carried out in line with our residents' charter
- We invested £44,000 of our charitable hardship fund helping our residents overcome financial hardship and supporting them towards economic independence
- We increased our stock by 124 units this year giving us a total housing stock of 548 units

Our housing stock and our capacity to meet housing and housing support need continues to grow. It has been a busy year integrating the supported housing services in Guildford under a new contract with Surrey County Council's Youth Service and Worthing Foyer with its contractual arrangements with West Sussex County Council. We have also had an unparalleled year in bringing 99 units of *Empty Homes*, our private sector lease and repair model, into management.

It has also been an important year in consolidating our housing operation. We worked with Jones Lang LaSalle who provided the organisation with a value for money and liability assessment of all our building assets under the title *Asset Optimisation* program. We also continued our work with Six Keys, our income consultants, to support us in assessing our service charge setting approach and ensuring we achieve full cost recovery enabling us to maintain appropriate investment levels in our housing services and housing stock.

Bringing in an additional 124 units of housing into management through the year did present a number of logistical challenges. We are really pleased to say that even with the pressure of these additional lettings and management requirements we met our rent collection target of 95% of all rent collected. We were 4 days over our 7 day void turnaround target, but we did improve on reducing the amount of financial loss on our voids from the previous year.

Our property services team completed 1,953 recorded repairs, a significant increase on last year with an average of 92% of those repairs being completed in our target

timescales. We know we still have some further work to do in improving our repairs service and this will be a focus for us in the coming year.

Our housing support services saw some of the biggest impact of local government funding cuts losing £98,000; a 5% reduction in our total income with a net increase of 1.5% in contracted units. Even with these losses of income we were able to make the appropriate investment in our services to ensure we met our core contractual performance requirements and what was really pleasing to see was that we made significant progress in reducing evictions and improving our positive move on rates.

### **What our service users, stakeholders and commissioners said about us this year:**

*"I find the staff down to earth and approachable. The team all work really hard and have helped me to feel comfortable and safe, I really enjoy living here"* **(resident)**

*"there is nothing you do better, it's amazing and nothing should change. You're a great help to those who need it and very supportive."*  
**(resident, Empty Homes programme)**

*"I have had several clients reside at (YMCA DownsLink Group), all of whom have reported it to be a supportive, accommodating environment. I have visited the organisation and have seen first-hand how well the staff and residents interact with each other. I have seen staff deliver key work sessions with residents; watched them motivate, encourage and challenge residents where appropriate; and deliver structured work such as goal setting."* **(Probation Officer, Brighton and Hove)**

*"The YMCA's Empty Homes scheme in Hastings has been an important part of a wider regeneration programme in the town. The partnership between the Borough Council's Empty Homes Team and the YMCA has been very successful in targeting empty properties, making much needed investment and bringing them back into management for young people who might otherwise struggle to access appropriate accommodation."*  
**(Andrew Palmer, Head of Housing and Planning Services, Hastings Borough Council)**

## 2. OUR CHARITABLE AND COMMUNITY SERVICES

### Scope of our Community Services

- We work across East and West Sussex, Brighton and Hove and Surrey providing a wide range of targeted and holistic services to children, young people and families
- We work very closely with schools and educational bodies to provide counselling in 74 educational establishments across Sussex and Surrey
- We provide a range of targeted, general access support and advice services working with approximately 3000 young people in Brighton and Hove, East and West Sussex and Surrey
- We are a provider of alternative education offers in Brighton and Hove, East Sussex and Surrey
- We provide early years and childcare services in Horsham and Lewes

### Our Highlights 2014-15

- We provided counselling to over 7000 children and young people
- Our British Association of Counselling and Psychotherapy accreditation was renewed
- Our education, learning and vocational services worked with nearly 300 young people
- Our Advice services in Brighton and Hove, and West Sussex, saw over 2500 young people
- Our early years work included us taking into direct management a 25 place nursery in Lewes and providing school and holiday club activities to children in Horsham and Lewes
- Our WISE project worked intensively with 51 young people at risk of exploitation and trained over 600 professionals from a wide range of statutory and community services in Sussex and Surrey

### Our impact

We believe it is important that as an organisation we retain and develop services into our local communities that enable young people to overcome adversity and develop their potential, so they can *belong, contribute and thrive*.

We have invested heavily in developing a range of our targeted services that reflect our vision and mission, focusing on those things we know we do well and ensuring that those young people in the greatest need are receiving appropriate help.

*"The Youth Advice Centre (YAC) has made a big difference to me since I've been using the service. I wouldn't be where I am today without them. The team have been able to support me so much in terms of advice I needed and someone to talk to in general. The person I've spoken to in the time I've been using the service has been incredible and I wouldn't have been able to cope if it wasn't for her and the referrals she made. Without YAC and their help things would be so much different now."* **(YAC service user)**

Over the past year we provided the following services:



## 2.1 Therapeutic and Family Services

Our counselling and therapeutic services, branded as Dialogue, continue to see increasing demand as children and young people deal with growing emotional stress and statutory Child and Adolescent Mental Health Services (CAMHS) are stretched. The greatest number of children and young people we see are in schools but we intend over the coming year to extend our offer to young people in the community. In summary:

- We have counsellors in 74 schools across Sussex, Brighton and Hove and West Surrey
- We offered over 12,000 counselling sessions throughout the year
- We provided 17 workshops across schools, NHS and local authority settings to over 350 participants
- Our training programmes have increased to include Self Harm, Bereavement, Stress and Mental Health issues for young people
- We have seen a 100% increase in safeguarding issues which is a worrying trend
- We provided mediation to over 30 families in order to prevent homelessness

*"(we have) been working with Dialogue now for seven years or more. Our young people have found the service invaluable, enabling them better to understand and cope with the world around them. The team members who work within the school, do so as part of our community, trusted and valued. I have no hesitation in recommending Dialogue as a counselling service to support young people in any school setting."*

**(Head Teacher, Secondary School)**

*"I think the organisation is good and doesn't need anything changed as it has helped me a lot to pull through my problems."* **(client)**

## 2.2 Education and Vocational Learning

This area of our work is essential to our mission if young people are going to *belong, contribute and thrive*. Over the year we provided a range of services to our residents as well as to the wider community in partnership with schools, partner organisations and local authorities:

- We developed the Participation and Engagement role across our housing schemes, to encourage young people into training and employment programmes, as well as recreational activities.
- We built on our Positive Placements initiative, which seeks mentors from local businesses to build up the confidence and skills of our residents, and support them in work placements. This scheme now operates across the majority of our housing schemes.
- We continued to see successful activities with our 'Opt-in' NEET engagement contract.
- We delivered the Government's National Citizenship Programme with increased numbers on the previous year.
- We have further extended our Alternative Education programme into East Sussex and Surrey with excellent outcomes achieved.

*"It's been absolutely great having her (the 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. I know what I want but I can't get it without someone guiding me. She guides me and I follow the path on my own."*  
**(young person on Positive Placements)**

### **2.3 Specialist Support Services**

Our Specialist Support services are targeted at young people who are at particular risk of harm or exploitation. Often these young people will be the same young people as those who are in or may well end up in our accommodation.

All of these services have seen high demand over the past year, but continue to make a significant difference to the lives of young people.

**Our WISE project** raises awareness of the growing problem of sexual exploitation in Brighton and Hove, East Sussex and Surrey. Through casework and joint working with other agencies, we have actively supported 51 young people over the past year, ensuring their safety and protection from exploitation.

We have trained 638 professionals to recognise and respond to the signs of sexual exploitation, and developed a successful campaign in Brighton (WISE UP) to engage the support of the night time economy.

**Safe Space** is an initiative, based in Brighton, which seeks to protect those who may come to harm in the city centre late at night. We offer a 'safe haven' for those who may be at risk with support from the Red Cross.

Last year, we focussed on proactive outreach, working with clubs to prevent excessive drinking and tackling aggressive behaviour before it escalates.

In total we saw 445 Individuals, 57% of whom were under 25. Of these, 97 required first aid and 53 were prevented from requiring A & E referral.

**Right Here** is an initiative designed to improve young people's emotional health and wellbeing. It is now in its 5<sup>th</sup> year, and has significantly influenced the design and commissioning of mental health services for young people.

Highlights from the past year include:

- A dog walk and talk initiative, with a focus on anger management
- Successful completion of Mental Health awareness campaign for 13-25 year olds, seeing 800 young people
- Exploring the impact of social media on young people's mental health
- Research projects focussing on young men and drinking and young men's access to counselling
- Developing a national website designed to improve access to mental health services
- Developing a 'kite mark' for young people friendly GP's

**Reaching Your Potential (Lottery funded)** is a project working across Sussex with young offenders coming out of custody. The project puts in place bespoke programmes to help 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.

*"By working with my Reaching Your Potential (RYP) worker he has given me the confidence to look for work and see that I have potential. Now I have much better opportunities and have a more positive outlook for my future."*

**(young person with RYP)**

**Advice Services** for young people are available in Brighton and Hove through our Youth Advice Centre (YAC) and in West Sussex through the Youth Homelessness Prevention Team (YHPT). This year YAC merged with our housing advice service and we offer a single point of access for housing advice; sexual health advice; 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.

In total, our advice services in Brighton and Hove, and West Sussex, helped over 5000 young people.

### **3. OUR SUBSIDIARY UNDERTAKINGS**

#### **Lewes YMCA**

Lewes and District YMCA continues to operate as a separate entity (Charity), serving its local community.

A significant change in the past year has been the taking into direct management of a 25 place children's Nursery. The Nursery is well used by the local community, including children from low income families and those with a disability, and this year achieved a 'Good' Dfsted.

Other activities include an Dfsted registered After School Club, Holiday play scheme and youth activities on local estates.

#### **Horsham YMCA**

The activities and assets of Horsham YMCA were fully transferred to YMCA DownsLink Group over the year, and the charity of Horsham YMCA was dissolved. It has been an exciting opportunity to integrate Horsham YMCA Football Club into the activities of YMCA DownsLink Group. The football club plays in the Southern Combination League and had a strong season finishing 5<sup>th</sup> in the league. The club is a valuable part of its local community providing a venue that other community groups can hire, as well as raising funds for local charities and good causes.

The football club continues to be self-financing from income raised through the club's facilities.

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

YMCA DownsLink Group's Trading subsidiary continued to deliver Retail and Painting and Decorating activities over the past year.

With regard to the Retail activities, the Board agreed that the interests of YMCA DownsLink Group would best be served by transferring the Retail operations to YMCA England on a profit share basis, thus significantly reducing our overhead costs. This transfer took effect from 1<sup>st</sup> April 2015.

Similarly, it was agreed that in order to reduce overhead costs, the Painting and Decorating business be scaled down and incorporated within our facilities section, with a primary focus on 'in house' work.

We are keen to maintain the benefit of our Trading services in providing apprenticeships and employment activities for young people, and so we are considering how we might still provide placements and training for young people.

#### **Trading Company (Guildford YMCA Services Ltd)**

YMCA DownsLink Group's Trading subsidiary continued to deliver restaurant and gardening enterprises throughout the year.

The trading enterprise continued to provide the Charity with a supportive income stream as well as supporting mission through being able to offer young people living in our hostel in Guildford with a catered service. Our gardening enterprise supported the employment, training and development of young people.

*"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)**



## **4. OUR STAFF AND VOLUNTEERS**

Maintaining and developing a skilled and motivated workforce of paid and unpaid staff to deliver effective services and achieve our missional goals is central to both mission and mission success. It has been a particularly busy year with the formal TUPE of 94 staff from Guildford YMCA to YMCA DownsLink Group and the associated staff integration work we have led over the past year.

It has been particularly exciting to see the implementation of our organisational trauma informed staff development training. This has been really well received by staff over the year and had a positive impact on the way our staff are equipped to work with our beneficiaries.

### **Key Human Resource Statistics**

Over the past year, our workforce averaged 438 employees, with 188 full time, 112 part time and 138 sessional staff.

We had 137 staff leave the organisation, 53 of these were voluntary and 84 were linked to loss of contracts or TUPE transfer (a high percentage of these were sessional staff due to significant reduction in our youth programmes in Guildford). We had 41 people move to new roles within the organisation with 13 of these being volunteers who achieved paid employment with the organisation. Over the year we lost 1743 days to sickness across our workforce which was an average of 5.81 per employee.

### **The Views of Our Staff**

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:

1. We had a 60% response rate to the survey, which we will aim to improve on in the future
2. 97% of our staff were able to state 'that they knew what was expected of them and how their role supported the mission of the organisation'; this was up 4% on previous year
3. 97% of our staff 'were prepared to go the extra mile to ensure their job is done well'
4. 93% responded positively to 'they have had opportunities to learn and develop over the last year'. 15% increase on the previous year
5. What did come through the survey was that the merger had a big impact on staff and that we hadn't communicated as well as we would have wanted to. This is an important learning point we will take forward.

## 5. OUR QUALITY AND COMPLIANCE

We have invested heavily this year in improving how we monitor, record, evaluate and present the quality and compliance of our organisation. This will be supported by investment in new systems like our new Pyramld system for rent collection and property management. We also invested in the new role of Quality and Participation Manager to bring our quality activities of training, policy and procedure, and participation together with our compliance and health and safety work within a clearer business support framework.

### Staff Training Programme

We centralised the training budget and programme from July 2014 achieving the following:

1. 785 training opportunities in the year, with 90% positive feedback on the courses.
2. Improved mandatory induction training programme rolled out (Mission, Safeguarding, Health and Safety, Equality and Diversity).
3. Significant investment in Trauma Informed development training programme.

*"I'd just like to say thanks for everything, you are a fantastic team who work very hard for the benefit of staff and young people alike."* **(manager)**

### Quality Assurance

We have:

1. Successfully renewed two quality marks: CHAS (Certificate In Health and Safety) and ISO 9001:2008 (for management of our services).
2. We further developed a Quality Manual which clearly outlines our quality improvement processes and management infrastructure.
3. Gained a Silver award in safeguarding children and young people, through SQP.
4. Re-accredited our Foyer supported housing quality mark.
5. Re-accredited our British Association of Counselling and Psychotherapy quality mark.

### Compliance and Health and Safety

Key compliance statistics:

1. We had a 100% gas safety certificates issued over the year.
2. 100% of properties had a formal fire risk assessment with 89% of these being updated within the year.
3. We completed 56 out of 70 premises estate inspections, our internal quality and compliance mechanism. This is an area we will be focusing on over the next year.
4. We had 22 reported accidents at work which is a reduction of 17 on the previous year and none of these required reporting under RIDDOR.

5. We had 90 reported incidents which was a 27% increase on the previous year but does reflect the growth in the organisation's activities.

### User Participation

The Quality and Participation Manager role has enabled us to develop a cross organisation approach to User Participation. To date we have:

1. Identified Participation Leads from all sections of the organisation who act as 'champions' for user involvement.
2. Involved young people more consistently in recruitment at all levels (including CEO).
3. Made a short film with 5 young people sharing what they feel they have to offer YMCA DownsLink Group.
4. Our Service User Satisfaction Survey (across our projects) enabled us to measure satisfaction levels, and we saw significant improvement in many areas (see summary table below).

### The views of our young people

The 2014 survey showed that 98% of YMCA DownsLink Group's service users found our staff to be welcoming and approachable and that 92% felt listened to by staff.

	2014	2013	Movement
Do/Did you get what you needed from this project?	Yes 82%	Yes 78%	Up 4% ↑
Do/Did you find staff approachable and welcoming?	Yes 98 %	Yes 94%	Up 4% ↑
Do/Did you feel your views and opinions are listened to here?	Yes 92%	Yes 83%	Up 9% ↑
Would you recommend this service/project to a friend?	Yes 91%	Yes 86%	Up 5% ↑
Do you know how to have a voice in this organisation (eg make a complaint or suggest ideas)?	Yes 76%	Yes 58%	Up 18% ↑

*"The time that I have been here I have currently got all the help that I have needed. I have used all the services that are here to help me and found them very helpful. I would recommend these services to people that I know." (service user)*

## 6. OUR PERFORMANCE AND VALUE FOR MONEY

### Previous Year's Plans – how did we do?

#### Strategic Objectives

- We have established an effective Leadership Team and Governance structure designed to take forward the newly merged organisation. An integration of services has helped us reduce costs as part of our Value for Money objective, whilst maintaining strong, robust leadership.
- All the organisation's services and activities are under the new YMCA brand. Rolling out the branding across our various sites is ongoing.
- We have reviewed our Trading subsidiaries and transferred our Retail operation to YMCA England. We have also reduced the overhead costs of our Painting and Decorating business.
- We have ceased or remodelled a number of our loss making activities, resulting in substantial cost savings.
- We have begun the implementation of our Asset Optimisation review, with the sale of two properties and plans to dispose of or remodel or purchase other properties.

#### 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:

Key Performance Indicator	Target 2014-15	Result 2014-15	Result 2013-14	Comment
<b>Financial</b>				
1. Compliance with loan covenants	Compliant	Compliant	Compliant	Net worth covenant demonstrating a £200k annual increase Management accounts provided within 48 days of month end
<b>Resources</b>				
2. Staff survey satisfaction rating	80%	89.75%	81%	4 key questions relating to staff satisfaction levels were asked in both years, these were: <ul style="list-style-type: none"> <li>- I am proud to work at YMCA DLG</li> <li>- My work is valued by others</li> <li>- I've had opportunity to learn and develop</li> <li>- I know what is expected of me</li> </ul> The percentage who strongly agreed or agreed with these statements has been totalled and then averaged.
3. Staff sickness number of working days lost per FTE	5	5.8	Not measured	
4. Staff turnover- staff leaving per annum	10%	12%		
5. Building asset disposal program targets	Dispose of 3 properties  Achieve minimum valuation figures	2  Achieved		Based on asset optimisation report objectives. All assets were disposed for above valuation levels and within time period
<b>Housing Activity</b>				
6. Void loss as % of gross rents	3%	4%	6%	
7. Bad debt as % of gross rent receivable	5%	2%	2%	Based on actual housing debt written off our Ledger
8. Income collection as % of gross rent charged	95%	99%	91%	Supported by additional rent we were able to recover from previous year
9. Maintenance response targets	95%	92%	Not recorded	
10. % of residents moving on in a planned way	70%	71%	Not recorded	

## **Value for Money**

At a time of intense pressure on public finances, it is increasingly important that Registered Providers of social housing are able to demonstrate that their resources are being used efficiently and effectively, giving the best outcomes for our residents and service users. This means that we need to constantly review our costs, and to be assured that our resources are deployed in the best possible way for optimum impact.

Over the past year, we have renamed the organisation as YMCA DownsLink Group following the merger of YMCA Sussex Central with Guildford YMCA, and a key driver for us has been to ensure that we use the merger to make sure we are achieving the best value for money to secure a strong and sustainable future for the merged organisation.

YMCA DownsLink Group's vision is *to be an inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive*. Our objectives are to help all children and young people to achieve their potential. Within our existing housing activities, YMCA DownsLink Group seeks to provide a range of accommodation, programmes and activities to enable our residents to develop more fulfilled lives as well as to achieve a higher level of independence.

Our housing activities make up about 70 percent of our activity by income. In considering value for money specifically within our housing activities, we look at:

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

## **What we have done**

We recognise that demonstrating Value for Money is a significant challenge but we have put into place a number of measures over the past year:

1. The Board have agreed new Standing Orders and Standing Financial Instructions which require us to seek value for money in all our operations including:
  - Tendering for contracts
  - Delivery of activities
  - Human Resources
2. We have taken significant costs out of our Management structure following the merger with a cost saving of £310,000 implemented over the past 12 months.
3. We commissioned, through Jones Lang La Salle, a value for money review of all our building assets and have implemented an asset strategy that has realised £1.17million in asset sales over the past 12 months enabling us to better invest in our core business through recycling some of these funds into the purchase of the Worthing Foyer.
4. We have put in place a Resources Committee to monitor performance and to assess the extent to which we have achieved Value for Money on an annual basis. In addition, our Value for Money plans are reviewed by our Audit Committee.



5. We have established a rigorous budget setting and business planning process, with our plans for 2016-19 incorporating challenging targets for efficiency, cost control and customer service.

Specific targeted savings include:

6. We have reviewed our service activities taking into account:
  - The need to focus on core business; those things we do well.
  - The need to simplify the organisation's complexity and thus reduce cost.
  - An impact assessment for any changes to be made.
7. As a result we have streamlined our Trading operations, passing over our Retail business to YMCA England, ceased a number of our loss making youth activities and begun a remodelling of our centre at Bridge Street in Guildford. These increased efficiencies enable us to create better value in services for our residents.
8. We commissioned Jones Lang LaSalle to carry out a review of our property assets with a view to maximising the potential for our property assets to support our core mission. This has resulted in a programme for disposal of some assets and acquisition and reinvestment in others. The programme has enabled us to strengthen our capability to reconfigure our services to make them more cost efficient.
9. We disposed of two properties: a residential home in Brighton and an investment property in Horsham. Since the year end we have disposed of a Therapeutic Centre in Brighton, relocating the staff to our Head Office, resulting in savings on office costs and administration.

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 do benchmark with comparator organisations, but need to have a more systematic method to present reports regularly to our Board. Similarly, we are confident that we can demonstrate the social impact of our work, but we want to find a measurement model that will work across our organisation. We have recently purchased a Pyramid case management system that we believe will help us achieve more effective measurement of social impact across the organisation.

### **Improving our value for money- future plans**

Our 2015/16 budget is forecasting an improved operating position through the reduction in certain loss making charitable activities (costs lower by 13.7%) and an expansion in our housing activity as a result of new properties coming into rent through the Empty Homes programme, whilst freezing and then in future years reducing our central core costs. In 2015/16 our operating result is expected to be adversely affected by the costs of these changes, chiefly redundancies, but this is planned to result in an improved position in the longer term.

## **SECTION B**

### **1. GOVERNANCE, STRUCTURE, AND MANAGEMENT**

#### **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 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.

#### **Statutory Requirements**

The Trustees confirm that the accounts comply with the current statutory requirements, the requirements of the charity's governing document and the Social Housing SORP.

#### **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 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.

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 is representative of the community we serve and has the right mix of skills and experience. To this end we have made efforts to increase the diversity of the Board membership and to improve the skill set; recruiting new Board members to help us achieve a representative balance.

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 examples of such behaviour are challenged and dealt with appropriately. Our equalities related issues, including the out-working of YMCA DownsLink Group's Equal Opportunities and Diversity Policy, are managed within our Equalities Forum, in which all of our services are represented. We send all of our staff, volunteers and Board Members on an in-house ½ 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.

## **2. STRATEGIC DEVELOPMENT**

### **Introduction**

Over the last 18 months the organisation has been focused on a period of integration following the merger of Sussex Central YMCA with Guildford YMCA and the creation of YMCA DownsLink Group.

Our work over the last 18 months has created a strong platform for the organisation to move forward and has culminated with the retirement of our Chief Executive, David Standing, after 24 years of successfully leading the organisation. Chas Walker was recently recruited to the CEO role and provides the organisation with continuity after working with David for the last seven years in the capacity of Deputy Chief Executive. He has a strong commitment to our vision and mission and the ambition to lead the organisation into the future, building on the strong foundation David built.

### **Future plans**

The charitable and supported housing sector has seen significant changes in its operating environment over the past few years. We are proud of the productive partnerships we have built with local authorities over the years. These partnerships have provided the organisation with important resources to meet its charitable and housing aims alongside meeting the contractual requirements of our stakeholders.

With the significant restraints placed on local authority expenditure by current government policy we will need to seek alternative ways of funding our work and possibly new expressions of our vision and mission. To do this we will work closely with the wider YMCA Movement to find appropriate forms of collaboration building capacity for change and share risk. Our asset optimisation project will allow us to use the substantial asset value of some of our traditional charitable buildings to provide investment capital supporting our plans to ensure our organisation continues to thrive and develop into the future.

Times of change always bring uncertainty, but we are part of an International Movement that is over 150 years old and has seen its fair share of changes to become the largest youth charity in the world. It is exciting and an important point in time to take a fresh look at the organisation's strategic plan involving our beneficiaries, local communities, staff and stakeholders. This work will be delivered under our new mission statement *youth minded community approach* providing an exciting new expression of the YMCA and its focus.

Our priorities over the next 12 twelve months will be to:

1. Implement our plan to strengthen the leadership structures.
2. Complete the final elements of our merger integration project to include corporate simplification, national brand implementation, review of our governance structures and the establishment of our integrated financial systems.
3. Build on our internal quality and compliance processes ensuring all our services are of a high quality and that we can demonstrate excellent value for money.
4. Review our business and strategic planning to create a new plan for the next five years. This will pick up important strategic themes regarding the resourcing and future expressions of our vision and mission.

5. Further implement our asset optimisation plan, which provides a strong foundation from which the organisation can develop and thrive. This will be our second year of implementing this plan and involves further asset disposals as well as the proposed purchase of the YMCA Centre in Horsham.
6. Implement a new participation strategy, promoting the involvement of young people at every level in the organisation. Our *youth minded community approach* mission statement gives a clear focus to the increased participation of our beneficiaries in the work of the organisation.
7. Invest in our employees ensuring they have the skills to take on their responsibilities. This year we will continue to extend the work of the organisation as being 'psychologically informed' to include developing our support mechanisms for staff and getting this important piece of work formally accredited.



### **3. REFERENCE AND ADMINISTRATIVE DETAILS**

The trustees have pleasure in presenting their report and financial statements for the year ended 31 March 2015.

#### **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**

Peter Jeffrey	Chair
Richard Smillie	Vice Chair
Peter McMahon	
Stuart Stokes	
Ingrid Beatty	
Deborah Pepper	
John Slater	
Andrew Wilson	
James Lister	
Richard Nerurkar	

#### **Leadership Team**

David Standing	Chief Executive Officer (to 31 Aug 15)
Charles Walker	Chief Executive Officer (from 1 Sep 15) previously Executive Director of Operations
Peter Brayne	Executive Director of Partnerships and Business Support (to 31 May 15)
Rachel Brett	Director of Communities
Vacant	Director of Housing
Ann Longhurst	Head of Finance
Fiona Hall	Head of Human Resources
Angie Higgins	Head of Housing Services
Niki Eldridge	Head of Housing Support
Eleanor Clarke	Quality and Participation Manager

## **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**

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

## **Funds**

### **Restricted Funds**

The assets held by these funds are a combination of fixed and current assets, and are sufficient to meet their obligations.

### **Unrestricted Funds**

The assets held by these funds are a combination of fixed and current assets. With the need to increase liquid resources, the Trustees undertook an asset optimisation exercise during the year. As a result, two properties were sold and the cash reinvested in the purchase of the Worthing Foyer.

### **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.

### **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.

#### **4. FINANCIAL REVIEW**

The financial year commenced with the merger of Sussex Central YMCA with Guildford YMCA to form the YMCA DownsLink Group. It was considered appropriate to adopt merger accounting, hence the assets of the two YMCAs were combined at their historic values and the comparative figures for the year ended 31 March 2014 restated to include all the entities of the new group.

For the year ending 31 March 2015, YMCA DownsLink Group generated an income of £12,295K, an increase of 10.8% over the previous year. Growth was generated by the increase in housing stock, particularly from the Empty Homes programme where 99 (2014: 42) additional units were added, whilst also bringing the nursery based at Lewes YMCA in house. Difficulties were faced with a reduction of £140K in Supporting People income in Surrey and the loss of the Prince's Trust income.

The charity is reporting an operating deficit of £65K, a marked improvement on the previous year's deficit of £244K, particularly considering the costs incurred in merging the two organisations. The Sussex based trading arm has continued to experience difficulties and reported a loss of £24K. As of 1<sup>st</sup> April 2015, the retail part of this operation has transferred to YMCA England, who with their Infrastructure and larger network of retail outlets will be able to stem the losses.

During the year, Horsham YMCA was dissolved and the Football Ground and investment property at East Street, Horsham transferred. The net book value of the Football Ground was reduced by £54K on transfer. The property at East Street, Horsham was sold during the autumn along with Felix House, the previously operated children's home. The proceeds from the sale of these two properties were reinvested in the purchase of the 29 bed Worthing Foyer in January 2015.

HCA consent for the transfer of the Guildford YMCA properties was received in June 2015. Hence the properties and related transactions are consolidated within the group figures.

The outstanding £1,254K loan associated with the Crawley Foyer arranged for an initial 5 year period ends in March 2016. Consequently the entire loan falls within creditors falling due within one year, resulting in a marked increase in net current liabilities from £52K to £1,385K. Subsequent to the year end, this position has been mitigated by obtaining new financing for a further 5 year term at a preferential interest rate.

The accumulated funds of £4,873K, including restricted reserves of £326K, have increased due to the disposal of assets during the year. The funds are held entirely in properties resulting in negative free reserves. However, under the asset optimisation strategy, there are further properties scheduled for disposal. Adjusting for these, the organisation eliminates negative free reserves. However, the Trustees are conscious of the need to increase cash backed reserves and 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.

## **STATEMENT ON INTERNAL FINANCIAL CONTROLS**

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.
- Resources and Finance Committees 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 by the Resources and Finance Committees which make regular reports to the Trustees.
- Formal procedures have been established for instituting appropriate action to correct weaknesses from the above procedures.

### **Trustees' Responsibilities**

The Trustees (who are also directors of YMCA DownLink 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Directors' Report and Strategic Report, was approved by the Trustees on 14 September, and was signed for and on behalf of the board by:



**Peter Jeffrey**  
**Chair of the Board of Trustees**

**Date:** 14.9.15

## **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 2015 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 2015 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 matter 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:** 14 September 2015

## Consolidated Income and Expenditure Account For Year Ended 31 March 2015

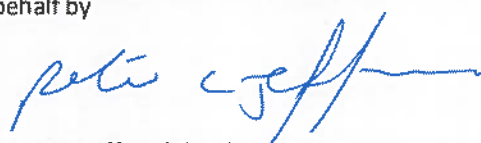
	Notes	Social Housing Activities £	Trading Activities £	Charitable Activities and Other Income £	2015 Total £	2014 Total £
<b>Turnover from continuing operations</b>						
Social Housing lettings	2	7,185,000	-	-	7,185,000	5,986,240
Trading Activities		-	840,531	-	840,531	780,943
Charitable Activities and other income	4	-	-	4,269,658	4,269,658	4,330,546
		<u>7,185,000</u>	<u>840,531</u>	<u>4,269,658</u>	<u>12,295,189</u>	<u>11,097,729</u>
<b>Operating costs</b>						
Social Housing lettings	3	(7,215,749)	-	-	(7,215,749)	(5,899,415)
Trading Activities		-	(858,053)	-	(858,053)	(781,968)
Charitable Activities and other costs	5	-	-	(4,286,789)	(4,286,789)	(4,660,493)
		<u>(7,215,749)</u>	<u>(858,053)</u>	<u>(4,286,789)</u>	<u>(12,360,591)</u>	<u>(11,341,876)</u>
<b>Operating (deficit)</b>		<b>(30,749)</b>	<b>(17,522)</b>	<b>(17,131)</b>	<b>(65,402)</b>	<b>(244,147)</b>
Capital Appeal		-	-	-	-	114,480
Interest receivable and other income		-	28	12,392	12,420	26,128
Interest payable and similar charges		(44,097)	-	(32,510)	(76,607)	(66,162)
<b>(Deficit) for the year</b>		<b>(74,846)</b>	<b>(17,494)</b>	<b>(37,249)</b>	<b>(129,589)</b>	<b>(169,701)</b>
<b>Exceptional Items</b>						
Disposal of properties		-	-	251,078	251,078	-
<b>Surplus / (deficit) on ordinary activities before taxation</b>		<b>(74,846)</b>	<b>(17,494)</b>	<b>213,829</b>	<b>121,489</b>	<b>(169,701)</b>

### STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS FOR THE YEAR ENDED 31 MARCH 2014

	2015 £	2014 £
<b>Surplus/(deficit) for the year</b>	<b>121,489</b>	<b>(169,701)</b>
Unrealised gain / (deficit) on investments	526	(9,768)
Revaluation of social housing property	-	-
<b>Total recognised surpluses and deficits for the year</b>	<b>122,015</b>	<b>(179,469)</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 14 September 2015 and signed on their behalf by



Peter Jeffrey (Chair)  
September 2015



Richard Smillie (Vice Chair)  
September 2015

The notes set out on pages 35 to 46 form part of these financial statements

# Consolidated Balance Sheet

As at 31 March 2015

Registered number: 3853734

	Notes	2015		2014	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Housing properties – depreciated cost	9	10,077,515	6,036,442	8,275,465	4,189,020
Less:					
Social Housing grant		(4,654,668)	(1,246,772)	(3,831,036)	(423,140)
Local authority grants		(1,500,226)	(1,500,226)	(1,500,226)	(1,500,226)
Net Book value of housing properties		3,922,621	3,289,444	2,944,203	2,265,654
Other Properties	9	2,629,432	1,708,988	3,552,914	1,747,441
Other tangible assets	9	254,138	172,211	319,701	143,194
		6,806,191	5,170,643	6,816,818	4,156,289
Investments	10	-	4	-	2
		6,806,191	5,170,647	6,816,818	4,156,291
<b>CURRENT ASSETS</b>					
Stocks	11	1,521	1,521	1,809	-
Debtors	12	1,017,403	1,095,637	717,971	639,480
Investments	13	6,895	1,576	625,605	-
Cash at bank and in hand		944,993	824,541	432,041	255,632
		1,970,812	1,923,275	1,777,426	895,112
<b>CREDITORS</b>					
Amounts falling due within one year	14	(3,355,860)	(3,959,748)	(1,829,573)	(1,520,666)
<b>NET CURRENT LIABILITIES</b>		<b>(1,385,048)</b>	<b>(2,036,473)</b>	<b>(52,147)</b>	<b>(625,554)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,421,143</b>	<b>3,134,174</b>	<b>6,764,671</b>	<b>3,530,737</b>
<b>CREDITORS</b>					
Amounts falling due after one year	15	(547,696)	(349,040)	(2,013,239)	(1,808,796)
<b>NET ASSETS</b>		<b>4,873,447</b>	<b>2,785,134</b>	<b>4,751,432</b>	<b>1,721,941</b>
<b>FUNDS</b>					
Unrestricted Funds:					
General	17	3,865,909	1,785,828	3,557,778	740,993
Revaluation Reserve	17	681,097	679,407	895,904	689,740
Designated	17	-	-	52,992	52,992
Restricted Funds	16	326,441	319,899	244,758	238,216
		4,873,447	2,785,134	4,751,432	1,721,941

These financial statements were approved and authorised for issue by the Directors on 14 September 2015 and signed on their behalf by



Peter Jeffrey (Chair)  
September 2015



Richard Smillie (Vice Chair)  
September 2015

The notes set out on pages 35 to 46 form part of these financial statements

## Consolidated Cash Flow Statement For Year Ended 31 March 2015

	Notes	2015		2014	
		£	£	£	£
<b>Net cash flow from operating activities</b>					
Operating Surplus		(65,402)		(244,147)	
Depreciation	8	250,455		228,393	
(Surplus)/Deficit on disposal of assets		(15,806)		16,293	
(Increase) / decrease in stocks		288		2,616	
(Increase) / decrease in debtors		(299,432)		27,513	
Increase / (decrease) in creditors		375,053		68,778	
<b>Net cash inflow/(outflow) from operating activities</b>			<b>245,156</b>		<b>99,446</b>
<b>Capital Appeal</b>					
Money raised from capital appeal			-		114,480
<b>Returns on investments and servicing finance</b>					
Investment income		12,947		26,128	
Loan interest paid		(76,607)		(66,770)	
Receipts from sale of investments		618,709		276,486	
<b>Net cash inflow / (outflow) from returns on investments and servicing of finance</b>			<b>555,049</b>		<b>235,844</b>
<b>Capital expenditure</b>					
Purchase of tangible fixed assets	9	(1,130,240)		(505,035)	
Sale of tangible fixed assets		1,157,295		613	
<b>Net cash outflow from capital expenditure</b>			<b>27,055</b>		<b>(504,422)</b>
<b>Cash Inflow/(outflow) before financing</b>			<b>827,260</b>		<b>(54,652)</b>
<b>Financing</b>					
Loan repayments		(314,308)		(130,482)	
			<b>(314,308)</b>		<b>(130,482)</b>
<b>Increase / (decrease) in cash in the year</b>			<b>512,952</b>		<b>(185,134)</b>
<b>Reconciliation of net cash flow to movement in net cash funds</b>					
Net cash funds at beginning of year			432,041		617,175
Change in net funds during the year			512,952		(185,134)
Net cash funds at end of the year			<b>944,993</b>		<b>432,041</b>

The notes set out on pages 35 to 46 form part of these financial statements

# Notes to the Financial Statements

## For Year Ended 31 March 2015

### 1. ACCOUNTING POLICIES

- a) YMCA DownsLink Group Limited is Incorporated under the Companies Act 2006 and Charities Act 2011 and is a Registered Provider of Social Housing.

#### **Basis of Preparation**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and comply with applicable standards and statements of recommended practice.

The financial statements comply with current statutory requirements, the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers (update 2010) and with the Accounting Direction for private registered providers of social housing in England 2012. YMCA DownsLink Group is also a charity incorporated as a company under the Companies Act. 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.

YMCA DownsLink Group is required by the Companies Act 2011 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 Guildford YMCA Services Ltd are included on a line by line basis.

- 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) **Voluntary income**

All voluntary income is included when the criteria of entitlement, certainty and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

- e) **Investment income**

Investments are included in the financial statements at market value. Any change in the market value is shown as an unrealised gain or loss in the statement of total recognised surplus and deficits.

- f) **Empty Homes**

The grant income is included on completion of the building work. If there are no associated development costs, 70% of the surplus is released over the term of the lease.

- g) **Pension costs**

YMCA DownsLink Group participated in a multi-employer defined benefit pension plan for employees of YMCA's in England, Scotland and Wales which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA DownsLink Group for the purposes of FRS 17 disclosure.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary and charged to the Income and Expenditure Account as made.

- h) **Fixed Assets**

- i) **Housing Properties**

#### **Cost:**

The cost of housing properties is stated less Social Housing Grants received. Social Housing Properties are included at cost or valuation, the valuation basis being the existing use value for social housing. Full valuations are undertaken at least every 5 years.

#### **Depreciation:**

Depreciation is charged on buildings to write off the cost less Social Housing Grants over their expected 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

Impairment reviews are carried out on an annual basis on assets whose useful economic lives are expected to exceed 50 years, in accordance with Financial Reporting Standard 11.

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

Impairment reviews are carried out on an annual basis on assets whose useful economic lives are expected to exceed 50 years, in accordance with Financial Reporting Standard 11.

Expenditure on the fabric of the property in use by YMCA DownsLink Group continues to be written off as incurred.

i) **Stocks**

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

j) **Volunteers and 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 taxation under Section 505(1) of the Income and Corporation Taxes Act 1988.

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 LETTINGS

	2015		2014	
	£	£	£	£
<b>Gross Rents and Service charges:</b>				
Rent Receivable	3,619,634		3,209,036	
Service charges receivable	<u>639,581</u>		<u>284,318</u>	
		4,259,215		3,493,354
Rents and service charges losses from voids		<u>(240,115)</u>		<u>(212,277)</u>
		4,019,100		3,281,077
<b>Other revenue:</b>				
Supporting People		1,842,821		1,936,535
Other Social Housing income		<u>1,323,079</u>		<u>768,628</u>
		<u>7,185,000</u>		<u>5,986,240</u>

## 3. OPERATING COSTS FROM LETTINGS

	2015	2014
Housing accommodation – number of units	548	424
Managed Housing – number of units included in above total	185	187
	£	£
Services	4,518,939	4,259,518
Share of central overheads	1,415,388	930,003
Development costs	792,738	302,528
Repairs and maintenance	229,283	179,833
Rent losses from bad debts and provision	151,791	120,948
Depreciation of housing properties	<u>107,610</u>	<u>106,585</u>
	<u>7,215,749</u>	<u>5,899,415</u>

## 4. TURNOVER FROM CHARITABLE ACTIVITIES

	2015	2014
	£	£
Sports, Youth and Community	1,287,767	1,733,195
Therapeutic Services	1,188,866	1,156,252
Support Services: Children, Young People and Families	1,172,442	1,052,619
Horsham YMCA	92,006	95,876
Lewes and District YMCA Activities	306,481	123,777
Other Income	<u>222,096</u>	<u>168,827</u>
	<u>4,269,658</u>	<u>4,330,546</u>



**5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS**

	2015	2014
	£	£
Sports, Youth and Community	1,466,863	1,977,636
Therapeutic Services	1,239,618	1,207,461
Support Services: Children, Young People and Families	1,174,258	1,261,055
Horsham YMCA	102,345	91,992
Lewes and District YMCA Activities	291,768	122,350
Other Costs	11,937	-
	<u>4,286,789</u>	<u>4,660,492</u>

**6. STAFF COSTS**

	2015	2014
	£	£
Salaries and wages	6,336,107	6,271,671
Social security	514,294	497,820
Pension costs	242,472	192,912
Life Assurance	28,428	24,082
Healthcare	14,121	18,783
Redundancy/Compensation	102,071	53,613
	<u>7,237,493</u>	<u>7,058,851</u>

The average number of employees paid during the year was:

Full Time and Part Time Employees	380	382
Full Time equivalent	262	263

**7. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT TEAM**

None of the Directors received any remuneration in the current or prior year. Two trustees (2014: three) received reimbursed expenses for travel costs amounting to £508 (2014: £687).

The aggregate emoluments of the Senior Management Team were £503,850 (2014: £524,253) The remuneration of the Chief Executive comprised salary of £80,000, pension contributions of £12,000 and private health of £1,430 (2014: £69,223, £10,383 and £1,417 respectively).

The Chief Executive is a deferred member of the YMCA collective defined benefit pension scheme which closed to further contributions on 30 April 2007 and 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:	2015	2014
	£	£
Rent and Service charge losses from bad debts	150,058	92,370
Operating Leases - equipment	32,793	27,799
- land and buildings	473,070	294,667
Surplus/(Deficit) on sale of fixed assets	15,806	(16,293)
Depreciation of owned assets	114,241	128,814
Depreciation of housing properties and components	136,214	99,579
Auditor's remuneration: External audit	31,711	26,570

## 9. FIXED ASSETS

	Group		Charity	
	Social Housing Properties	Other Properties	Social Housing Properties	Other Properties
	£	£	£	£
<b>Cost</b>				
1 <sup>st</sup> April 2014	8,752,108	3,665,980	4,250,436	1,779,962
Revaluation	-	139,977	-	-
Additions	1,887,232	-	1,887,232	1,000,000
Disposals	(2,255)	(1,023,853)	-	(1,023,853)
31 <sup>st</sup> March 2015	<u>10,637,085</u>	<u>2,782,104</u>	<u>6,137,668</u>	<u>1,756,109</u>
<b>Depreciation</b>				
1 <sup>st</sup> April 2014	476,644	113,066	61,416	32,521
Charge for the year	88,368	47,846	39,810	20,008
Eliminated on disposal	(5,442)	(8,240)	-	(5,408)
31 <sup>st</sup> March 2015	<u>559,570</u>	<u>152,672</u>	<u>101,226</u>	<u>47,121</u>
<b>Net Book Amount</b>				
31 <sup>st</sup> March 2015	<u>10,077,515</u>	<u>2,629,432</u>	<u>6,036,442</u>	<u>1,708,988</u>
31 <sup>st</sup> March 2014	<u>8,275,465</u>	<u>3,552,914</u>	<u>4,189,020</u>	<u>1,747,441</u>
			2015	2014
<b>Properties at cost comprise:</b>			£	£
Freeholds			4,797,462	3,794,106
Long Leaseholds			8,549,332	8,551,587
Short Leaseholds			72,395	72,395
Cost of properties			<u>13,419,189</u>	<u>12,418,088</u>
Less: Social Housing and local authority grants			<u>(6,154,894)</u>	<u>(5,331,262)</u>
			<u>7,264,295</u>	<u>7,086,826</u>

The Crawley Foyer was revalued on 23 April 2013 by Richard Petty, MRICS of Jones Lang LaSalle using a basis of Existing Use Value for Social Housing (EUV-SH) resulting in an increase of £700,073 – Historical cost £1,626,997 Revalued £2,300,000  
The revaluation was carried out in accordance with RICS Valuation Standards PS 5.1.

**OTHER TANGIBLE FIXED ASSETS – GROUP**

	Motor Vehicles	Fixtures, Fittings and Equipment	Bicycles	Total
	£	£	£	£
<b>Cost</b>				
1 <sup>st</sup> April 2014	119,916	732,034	2,595	854,545
Additions	13,687	51,840	1,113	66,640
Disposals	(19,655)	(87,882)	(1,257)	(108,794)
31 <sup>st</sup> March 2015	<u>113,948</u>	<u>695,992</u>	<u>2,451</u>	<u>812,391</u>
<b>Depreciation</b>				
1 <sup>st</sup> April 2014	54,814	477,650	2,380	534,844
Charge for the year	28,638	84,368	1,235	114,241
Eliminated on disposals	(15,532)	(74,043)	(1,257)	(90,832)
31 <sup>st</sup> March 2015	<u>67,920</u>	<u>487,975</u>	<u>2,358</u>	<u>558,253</u>
<b>Net Book Amount</b>				
31 <sup>st</sup> March 2015	<u>46,028</u>	<u>208,017</u>	<u>93</u>	<u>254,138</u>
31 <sup>st</sup> March 2014	<u>65,102</u>	<u>254,384</u>	<u>215</u>	<u>319,701</u>

**OTHER TANGIBLE FIXED ASSETS - CHARITY**

	Motor Vehicles	Fixtures, Fittings and Equipment	Bicycles	Total
	£	£	£	£
<b>Cost</b>				
1 <sup>st</sup> April 2014	54,066	240,921	2,595	297,582
Additions	2,996	45,325	1,113	49,434
Transfers	34,650	225,777	-	260,427
Disposals	(10,700)	(84,629)	(1,257)	(96,586)
31 <sup>st</sup> March 2015	<u>81,012</u>	<u>427,394</u>	<u>2,451</u>	<u>510,857</u>
<b>Depreciation</b>				
1 <sup>st</sup> April 2013	20,914	131,094	2,380	154,388
Charge for the year	13,722	54,946	1,235	69,903
Transfers	21,414	175,686	-	197,100
Eliminated on disposals	(10,700)	(70,788)	(1,257)	(82,745)
31 <sup>st</sup> March 2014	<u>45,351</u>	<u>290,938</u>	<u>2,358</u>	<u>338,646</u>
<b>Net Book Amount</b>				
31 <sup>st</sup> March 2015	<u>35,662</u>	<u>136,456</u>	<u>93</u>	<u>172,211</u>
31 <sup>st</sup> March 2014	<u>33,152</u>	<u>109,827</u>	<u>215</u>	<u>143,194</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. Sussex Central YMCA (Trading) Limited operates five shops selling donated and other goods. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

	2015	2014
	£	£
Turnover	512,868	619,129
Grants released in year	24,052	4,248
Cost of sales and administrative expenses	(571,479)	(685,150)
Miscellaneous income	10,575	23,030
Interest receivable	28	19
(Loss) for the period	<u>(23,956)</u>	<u>(38,724)</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	235,883	40,496
Rental income	74,058	83,470
	<u>309,941</u>	<u>123,966</u>
Total Resources Expended	(305,554)	(136,005)
(Loss) / Surplus for the period	<u>4,387</u>	<u>(12,039)</u>

The wholly owned trading subsidiary, Guildford YMCA 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	662,766	597,513
Grants released in year	4,408	-
Cost of sales and administrative expenses	(658,433)	(600,050)
Interest receivable		18
	<u>8,741</u>	<u>(2,519)</u>
Charitable donation to parent undertaking arising from the period ended 31 <sup>st</sup> March 2015	(6,222)	-
Net (Loss)	<u>2,519</u>	<u>(2,519)</u>

During the year the wholly controlled company Horsham YMCA was dissolved and the assets transferred to the DownLink Group

Grants, Donations and Miscellaneous income	92,053	81,124
Rental income	13,969	14,752
	<u>106,022</u>	<u>95,876</u>
Total Resources Expended	(108,014)	(91,992)
Surplus for the period	<u>(1,992)</u>	<u>3,884</u>

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

Turnover	738,997	1,627,302
Cost of Sales	(731,035)	(1,824,923)
Capital appeal		114,480
Interest		20,211
Surplus / (Loss) for the period	<u>7,962</u>	<u>(62,930)</u>

**11. STOCKS**

	2015		2014	
	Group	Charity	Group	Charity
	£	£	£	£
Food, household stocks and paint	<u>1,521</u>	<u>1,521</u>	<u>1,809</u>	<u>-</u>

**12. DEBTORS**

	2015		2014	
	Group	Charity	Group	Charity
	£	£	£	£
Arrears of accommodation charges	196,608	196,608	234,470	193,244
Prepayments	128,052	112,369	156,301	114,696
Other debtors	692,743	614,146	327,200	252,554
Amounts owed by subsidiary undertakings	-	172,514	-	78,986
	<u>1,017,403</u>	<u>1,095,637</u>	<u>717,971</u>	<u>639,480</u>

**13. INVESTMENTS**

	2015		2014	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
Santander (BNC)	740	100	580	100
Santander shares received in lieu of dividends	50	-	32	-
COIF – Charities Investment Fund	4,529	453	103,956	79,937
COIF – Fixed Interest Fund	-	-	234,685	270,516
COIF - Deposits	1,576	1,576	201,352	201,352
Miscellaneous Short Term Deposits with banks	-	-	85,000	85,000
	<u>6,895</u>	<u>2,129</u>	<u>625,605</u>	<u>636,905</u>

**14. CREDITORS**

	2015		2014	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred Income	656,919	653,881	745,900	592,362
Other creditors	702,787	694,708	288,751	229,542
Trade creditors	499,312	485,976	471,869	364,218
Social security and other taxes	161,229	161,229	155,870	129,060
Bank overdraft and loans	1,287,650	1,282,076	133,366	128,110
VAT creditor	47,963	40,882	33,817	17,374
Amounts due to subsidiary undertakings	-	640,996	-	60,000
	<u>3,355,860</u>	<u>3,959,748</u>	<u>1,829,573</u>	<u>1,520,666</u>

The outstanding loan of £1,254K relating to the purchase of Crawley Foyer was arranged for an initial period of 5 years that ends in March 2016, hence the increase in creditors falling due within one year. Subsequent to the year end, new financing has been obtained for a further 5 years at a preferential interest rate of bank base rate plus 2.12%

**15. CREDITORS**

Amounts falling due after one year	2015		2014	
	Group	Charlty	Group	Charity
	£	£	£	£
Bank loans – Not wholly repayable within five years	545,537	349,040	2,010,867	1,808,796
Deferred Income – grants in advance	2,159	-	2,372	-
	<u>547,696</u>	<u>349,040</u>	<u>2,013,239</u>	<u>1,808,796</u>
Loan Maturity Analysis				
In more than one year but not more than two years	26,300	20,318	133,366	128,110
In more than two years but not more than five years	85,823	65,395	1,414,340	1,394,848
In more than five years	433,414	263,327	463,161	285,838
	<u>545,537</u>	<u>349,040</u>	<u>2,010,867</u>	<u>1,808,796</u>

All the bank loans are subject to interest at rates that vary and are linked to current bank base rate from 2.5% up to 6.5%. The bank loans are secured on the charity and subsidiary companies' properties detailed in note 9. The loan relating to the purchase of the Crawley Foyer was arranged for an initial 5 year period that ends in March 2016 and has been moved to creditors falling due within one year (see note 14)

**16. RESTRICTED FUNDS – GROUP**

	1 April 2014	Income	Expenditure	Transfer to unrestricted reserves	31 March 2015
Funds	£	£	£	£	£
Surrey County Council – Open House	-	7,000	(7,000)	-	-
Guildford Borough Council – Café	-	11,740	(11,740)	-	-
Coleman Charitable fund – Café	-	6,000	(6,000)	-	-
Community foundation Surrey – Café	-	4,759	(4,759)	-	-
Special Needs Reserve	5,284	-	-	-	5,284
Young Homeless Fund	1,258	-	-	-	1,258
Other restricted reserves	-	20,236	(20,236)	-	-
Peter Standing Memorial Fund	1,294	-	-	-	1,294
Legacy – Horsham Y Centre	57,350	-	(1,105)	-	56,245
Big Lottery Fund Grant – Youth in Focus Programme	179,572	328,613	(245,825)	-	262,360
Total	<u>244,758</u>	<u>378,348</u>	<u>(296,665)</u>	-	<u>326,441</u>

**RESTRICTED FUNDS – CHARITY**

	1 April 2014	Income	Expenditure	Transfer to unrestricted Reserves	31 March 2015
Funds	£	£	£	£	£
Surrey County Council – Open House	-	7,000	(7,000)	-	-
Guildford Borough Council – Café	-	11,740	(11,740)	-	-
Coleman Charitable fund – Café	-	6,000	(6,000)	-	-
Community foundation Surrey – Café	-	4,759	(4,759)	-	-
Other restricted reserves	-	20,236	(20,236)	-	-
Peter Standing Memorial Fund	1,294	-	-	-	1,294
Legacy – Horsham Y Centre	57,350	-	(1,105)	-	56,245
Big Lottery Fund Grant – Youth in Focus Programme	179,572	328,613	(245,825)	-	262,360
Total	<u>238,216</u>	<u>378,348</u>	<u>296,665</u>	-	<u>319,899</u>

**17. RESERVES – GROUP**

	1 April 2014	Income	Expenditure	Unrealised Gains / (Losses)	Transfers	31 March 2015
	£	£	£	£	£	£
Revaluation Reserve	895,904	-	-	526	(215,333)	681,097
Designated Reserve	52,992	-	-	-	(52,992)	-
General Reserves	3,557,778	13,135,995	(13,096,189)	-	268,325	3,865,909
Restricted Funds	244,758	378,348	(296,665)	-	-	326,441
	<b>4,751,432</b>	<b>13,514,343</b>	<b>(13,392,854)</b>	<b>526</b>	<b>-</b>	<b>4,873,447</b>

The Trustees have elected to release previous designations to ensure a consistent accounting treatment across the group.

**RESERVES – CHARITY**

	1 April 2014	Income	Expenditure	Unrealised Gains / (Losses)	Transfers	31 March 2015
	£	£	£	£	£	£
Revaluation Reserve	689,740	-	-	-	(10,333)	679,407
Designated Reserve	52,992	-	-	-	(52,992)	-
General Reserves	740,993	12,384,968	(12,360,030)	-	1,019,897	1,785,828
Restricted Funds	238,216	328,613	(246,930)	-	-	319,899
	<b>1,721,941</b>	<b>12,713,581</b>	<b>(12,606,960)</b>	<b>-</b>	<b>956,572</b>	<b>2,785,134</b>

The Trustees have elected to release previous designations to ensure a consistent accounting treatment across the group.

**Restricted Funds**

Surrey County Council – Open House – for the provision of counselling

Guildford Borough Council – for the development of a youth based café in the basement of the Guildford Y Centre

Coleman Charitable fund – for the development of a youth based café in the basement of the Guildford Y Centre

Community foundation Surrey for the development of a youth based café in the basement of the Guildford Y Centre

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 2015 is under £1,000. This system enables more places to be facilitated with minimal exposure. 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 plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA DownsLink Group for the purposes of FRS17 disclosure and accordingly the FRS17 deficit is not shown on the balance sheet.

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

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £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 SMT make contributions of 8% of salary to the stakeholder pension scheme and the employer's contribution is 15%. During the period a total of 47 employees benefited from the scheme at a cost of £104,471.

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 8 (2014: 9) and costs for the year were £7,641 (2014: £9,190).

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 £ 25,592 (2014: £26,633) in respect of 22 employees (2014: 24).

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

At the end of the year there was a liability of £22,692 relating to all the schemes that was settled the following month

## 21. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2015 £	2014 £
Expiring:		
Land and Buildings		
Within one year	2,083	47,750
Between one and five years	548,300	246,340
In more than five years	26,450	80,250
	<u>576,833</u>	<u>374,340</u>
Expiring:		
Equipment		
Within one year	968	-
Between one and five years	19,007	17,715
In more than five years	-	-
	<u>19,975</u>	<u>17,715</u>

## 22. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2015 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
Guildford YMCA Services Ltd	100% subsidiary	Trading Company	Non-regulated
Guildford YMCA	Effective control	Charitable Company	Regulated

During the year the management recharge between YMCA DownsLink Group and its trading subsidiary Sussex Central YMCA (Trading) Limited was reduced to £240 due to a different treatment of management salaries (2014: £9,000). The basis of this apportionment is on the amount of staff overhead time spent on administrative running of the trading company.

## 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 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 £40,000 for the purchase of a Housing Management Computer system had been contracted.