

2978406

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

PKF



YMCA GEORGE WILLIAMS COMPANY
ACCOUNTS
YEAR ENDED 31 JULY 2001

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**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
TRUSTEES AND ADVISORS
YEAR ENDED 31 JULY 2001**

DIRECTORS

F C Slater
H F White
J Hutcheson
J Milburn
E Thomas
A Hay
N Vallely
A Bell
C Roles
E Rand-Greaves
F Georges
P Smillie
A Kirwan
J Salter
J Murrell
P Seaman

SECRETARY

F C Slater

REGISTERED OFFICE

199 Freemasons Road
Canning Town
London
E16 3PY

AUDITORS

PKF
New Garden House
78 Hatton Garden
London
EC1N 8JA

BANKERS

NatWest Bank Plc
P O Box 306
11 The Parade
Canterbury
Kent
CT1 2DT

CHARITY NUMBER

1044624

COMPANY NUMBER

2978406

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
DIRECTORS' REPORT**

The directors present their report and the accounts for the year ended 31 July 2001.

PRINCIPAL ACTIVITIES

The College is one of the largest providers of professional training for youth work, community work and community education in the United Kingdom. It is the only College in England to offer UK-wide qualifications in its field. The College has pioneered a number of significant developments in the delivery of vocational higher education and continues to secure additional support for key areas of work. The Rank Foundation currently supports work specifically in the areas of research, pre-qualifying programmes and distance learning qualifying programmes. The Jack Petchey Foundation supports taught Foundation Studies programmes as well as offering bursaries to local full-time students. The College is now the largest provider in the region of training for Personal Advisers for the new Connexions Service and has piloted the first "Understanding Connexions" course offered in London and the South East. Members of the academic staff team are active contributors in the field as researchers, published authors, speakers at conferences and as external examiners or as Visiting Professor in related higher education institutions.

DIRECTORS

The directors who served during the year were:-

F C Slater
J C G Binfield (retired January 2001)
H F White
J Hutcheson
J Milburn
E Thomas
A Hay
N Vallely
A Bell
C Roles
E Rand-Greaves
F Georges
P Smillie
A Kirwan
J Salter
J Murrell
P Seaman (appointed October 2000)

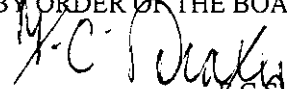
DEVELOPMENTS IN THE YEAR

During the past year, the College has revalidated its BA(Hons) Informal and Community Education programmes and validated the Diploma for Professional Advisers (Connexions). The MA programmes have been successfully revalidated subject only to the development of further materials. The College enrolled 74 full-time, undergraduate students and 400 distance learning students across its pre-qualifying, undergraduate and postgraduate programmes. The Introductory Studies programme area successfully secured a further three years of funding from the time expired Lottery Fund grant which came to an end in September 2001. The total grant will be £191,374 over 3 years.

AUDITORS

During the year PKF were appointed as auditors. PKF are eligible for re-appointment as auditors and a resolution proposing their re-appointment will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


F C Slater
Secretary

5 December 2001

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
CORPORATE GOVERNANCE STATEMENT**

The Charitable Company's (College) Governing Body comprises a Board of sixteen members consisting of two staff members, one student member and thirteen independent members. The Board of Governors meets four times a year. The Board appoints a Chairman whose role is separate from the role of the College's Chief Executive, the Principal.

The Board of Governors is responsible for:

- the determination of the educational character and mission of the College and for oversight of its activities;
- the effective and efficient use of resources, the solvency of the Company and the safeguarding of its assets;
- approving annual estimates of income and expenditure;
- the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of holders of Senior Posts;
- setting of framework for the pay and conditions of service of all College Staff Members other than the holders of Senior Posts; and
- the welfare of Students.

The Board acknowledge their responsibility for ensuring that the College 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 with the College or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition;

It is the Board's responsibility to establish and maintain systems of internal financial control. Key elements include ensuring that:

- formal policies are in place, including rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the College's assets;
- experienced and suitably qualified staff take responsibility for important functions;
- forecasts and budgets are prepared which allow the Board and management to monitor business risks and financial objectives, and progress towards plans set for the year and 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 formal relevant sub-committees comprising Board Members and other.

The College has established a Finance and General Purposes Sub-Committee consisting of Board Members and staff non-board members which meets approximately nine times a year. In respect of financial matters the Board receives recommendations and advice from the Finance and General Purposes Sub-Committee. The Sub-Committee reviews reports from management and from external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the risk facing the College. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties that require disclosure in the financial statements or in the Auditors' report on the financial statements.

The College's academic governance is the responsibility of an Academic Board subject to agreements with its principal validating body, Canterbury Christ Church University College, and where appropriate other validating and accrediting bodies. The Academic Board comprises the Principal and other College Staff Members and College Students. The Academic Board is responsible for:

- general issues relating to research, scholarship, teaching and courses at the College, including the fixing of criteria for the admission of students;

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
CORPORATE GOVERNANCE STATEMENT**

- the appointment and removal of internal and external examiners;
- policies and procedures for assessment and examination of the academic performance of students;
- the content of the curriculum;
- academic standards and the validation and review of courses;
- the procedures for the award of qualifications and honorary academic titles;
- the procedures for the expulsion of students for academic reasons.

The Board will take recommendations and advice from the Academic Board on academic matters and the development of academic activities.

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors 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 profit or loss of the charitable company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are responsible for ensuring that the Directors' Report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)**

We have audited the financial statements of YMCA George Williams Company (Incorporated) for the year ended 31 July 2001 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The responsibilities of the directors for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Statements are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company at 31 July 2001 and of the surplus of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

P_{KF}

PKF
Registered Auditors

London, UK

20 February 2002

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 JULY 2001**

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
INCOME			
Funding council grants	2	477,774	497,578
Academic fees and grants	3	610,129	534,903
Other income		3,999	16,281
Profit from sale of property		-	22,820
Interest receivable		10,195	5,806
		<hr/> 1,102,097	<hr/> 1,077,388
EXPENDITURE			
Staff costs	4	(741,881)	(629,797)
Depreciation	7	(11,729)	(24,312)
Additional depreciation	7	-	(521,635)
Other operating expenses	5	(297,590)	(280,799)
Bank interest and charges		(850)	(1,224)
		<hr/> (1,052,050)	<hr/> (1,457,767)
SURPLUS/(DEFICIT) FOR THE YEAR FROM CONTINUING ACTIVITIES			
		50,047	(380,379)
Appropriated from/(to) Designated reserve	13	15,000	(55,000)
NET SURPLUS/(DEFICIT)			
		65,047	(435,379)
Balance brought forward at 1 August 2000		330,845	766,224
BALANCE CARRIED FORWARD AT 31 JULY 2001			
		<hr/> <hr/> 395,892	<hr/> <hr/> 330,845

All amounts relate to continuing operations.

The company has no recognised gains and losses other than the surplus for the year.

YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
BALANCE SHEET
31 JULY 2001

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
FIXED ASSETS			
Tangible assets	7	266,332	276,945
CURRENT ASSETS			
Debtors	8	18,586	6,298
Cash at bank and in hand		363,634	400,812
		382,220	407,110
CREDITORS			
Amounts falling due within one year	9	(136,337)	(155,018)
NET CURRENT ASSETS			
		245,883	252,092
TOTAL ASSETS LESS CURRENT LIABILITIES			
		512,215	529,037
CREDITORS			
Amounts falling due after more than one year	10	(76,323)	(143,192)
TOTAL NET ASSETS			
		435,892	385,845
RESERVES			
Income and Expenditure Account		395,892	330,845
Designated Reserve	13	40,000	55,000
		435,892	385,845

Approved by the board on 5 December 2001

M. Vally

Director

A. Hutchison

YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
CASH FLOW STATEMENT
31 JULY 2001

	<u>2001</u>		<u>2000</u>
	£	£	£
Reconciliation of net movement in funds to net cash inflow from operating activities			
Net movement in funds	50,047		(380,379)
(Increase)/decrease in debtors	(12,288)		14,476
(Decrease)/increase in creditors	(16,416)		(186,812)
Depreciation	11,729		545,947
Gain on disposal of fixed assets	-		(22,820)
Returns on investments and servicing of finance	(10,195)		(5,806)
	<hr/>		<hr/>
Net cash inflow/(outflow) from operating activities	22,877		(35,394)
	<hr/>		<hr/>
Net cash inflow/(outflow) from operating activities	22,877		(35,394)
	<hr/>		<hr/>
Returns on investment and servicing of finance			
Investment income	10,195		5,806
	<hr/>		<hr/>
Capital expenditure and financial investment			
Purchases of fixed assets	(1,116)	-	
Sale of fixed assets	-	78,020	
	<hr/>	<hr/>	
	(1,116)		78,020
	<hr/>		<hr/>
Financing			
Repayment of mortgage	(65,786)	(65,786)	
Capital element of finance leases	(3,348)	(4,000)	
	<hr/>	<hr/>	
	(69,134)		(69,786)
	<hr/>		<hr/>
Decrease in cash	(37,178)		(21,354)
	<hr/>		<hr/>

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2001**

1 ACCOUNTING POLICIES

(a) Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice: Accounting in Further and Higher Education Institutions and applicable accounting standards.

(b) Income

All income is accounted for on a receivable basis as and when it falls due.

Income from specific grants and donations is included to the extent of the relevant expenditure incurred during the year.

(c) Expenditure

Expenditure, including staff costs, is included in the accounts on an accruals basis.

(d) Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	over 50 years
Fittings	-	over 4 to 10 years

(e) Capital expenditure

All capital expenditure below £5,000 is written off as and when it is incurred.

(f) Pensions

The charitable company participates in a defined benefit scheme, as set out in note 16. Pension costs are assessed in accordance with the advice of an actuary based on the most recent actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the charitable company benefits from the employees' services.

(g) Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the cost of the leased assets at the inception of the lease. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Instalments under operating lease agreements are charged to the income and expenditure account in the year in which they are incurred. Minimum operating lease commitments are shown in Note 12.

(h) Fund accounting

The Income and Expenditure Account represents the accumulated funds which are available for use at the discretion of the directors in furtherance of the objectives of the charitable company.

The Designated Reserve represents an amount set aside out of general funds to finance specific anticipated expenditure incurred in the rewriting and revalidation of the BA course.

**YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2001**

2	FUNDING COUNCIL GRANT	<u>2001</u> £	<u>2000</u> £
	Recurrent grant Canterbury Christ Church University College	477,774	497,578
		<hr/>	<hr/>
3	ACADEMIC FEES AND GRANTS		
	Academics fees:		
	Full time students	67,456	82,674
	Part-time fees	161,728	143,503
	Rank funded students	128,176	147,264
	Other courses	80,806	66,964
	Grants:		
	Rank Fellowship	25,000	30,900
	Joseph Rank Benevolent Trust	34,740	33,723
	Lottery	103,823	29,875
	Connexions	8,400	-
		<hr/>	<hr/>
		610,129	534,903
		<hr/>	<hr/>
4	STAFF	<u>2001</u> £	<u>2000</u> £
	Wages and salaries	649,152	556,147
	Social security costs	43,554	35,189
	Other pension costs	40,217	30,922
	Staff recruitment and development	8,958	7,539
		<hr/>	<hr/>
		741,881	629,797
		<hr/>	<hr/>
	The above emoluments include amounts payable to the Principal of:		
		<u>2001</u> £	<u>2000</u> £
	Salary	38,236	43,023
	Benefits in kind	-	-
		<hr/>	<hr/>
		38,236	43,023
		<hr/>	<hr/>
	Pension contributions	4,853	4,302
		<hr/>	<hr/>

The Pension contributions in respect of the Principal are employer's contributions to the YMCA England Scheme (see note 16) and are paid at the same rate as for other employees.

The directors did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. During the year 5 directors were reimbursed travel expenses totalling £2,574.

YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2001

4 STAFF (Continued)

The average weekly number of persons (including senior post-holders) employed by the College during the period, expressed as full-time equivalents, was:

	<u>2001</u> <u>Number</u>	<u>2000</u> <u>Number</u>
Academic	9.85	9.40
Administrative	10.71	9.85
Freelance Lecturers	8.00	8.00
Supervisors	2.00	2.00
	<hr/> 30.56	<hr/> 29.25
	<hr/> <hr/>	<hr/> <hr/>

5 OTHER OPERATING EXPENSES

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Academic costs	122,051	150,606
Premises costs	59,892	35,562
Administration costs	101,772	86,519
Auditors remuneration	4,750	8,112
Connexions costs	9,125	-
	<hr/> 297,590	<hr/> 280,799
	<hr/> <hr/>	<hr/> <hr/>
Other operating expenses include:		
Payments made under operating leases – equipment	7,980	4,904
	<hr/> <hr/>	<hr/> <hr/>

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

	<u>Staff</u> <u>Costs</u> <u>£</u>	<u>Depreciation</u> <u>£</u>	<u>Other</u> <u>expenses</u> <u>£</u>	<u>Total</u> <u>£</u>
Academic departments	461,059	-	6,048	467,107
Academic services	83,621	-	58,456	142,077
Other support services	186,514	-	11,660	198,174
General education expenses	-	-	55,012	55,012
Premises	-	5,909	59,892	65,801
Administration	10,687	5,820	106,522	123,029
	<hr/>	<hr/>	<hr/>	<hr/>
Total per Income and Expenditure account	741,881	11,729	297,590	1,051,200
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2001

7 TANGIBLE ASSETS

	<u>Fittings</u> £	<u>Freehold land and buildings</u> £	<u>Total</u> £
Cost			
At 1 August 2000	45,097	326,558	371,655
Additions	1,116	-	1,116
	<hr/>	<hr/>	<hr/>
At 31 July 2001	46,213	326,558	372,771
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 August 2000	28,152	66,558	94,710
Charge for the year	5,820	5,909	11,729
	<hr/>	<hr/>	<hr/>
At 31 July 2001	33,972	72,467	106,439
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 2001	12,241	254,091	266,332
	<hr/>	<hr/>	<hr/>
At 31 July 2000	16,945	260,000	276,945
	<hr/>	<hr/>	<hr/>

The directors became aware in the year ended 31 July 2000 that the carrying value of the freehold premises occupied by the charitable company had become impaired. They were advised in a valuation prepared by Palmer Payne, Chartered Surveyors, on 23 November 1999 that the open market value of the freehold land and buildings was £260,000, which the directors considered to be a reasonable approximation of an existing use value. There was therefore an impairment write down by way of an additional depreciation charge of £521,635 in the year ended 31 July 2000.

8 DEBTORS

	<u>2001</u> £	<u>2000</u> £
Debtors	10,227	4,271
Prepayments and accrued income	8,359	2,027
	<hr/>	<hr/>
	18,586	6,298
	<hr/>	<hr/>

9 CREDITORS

	<u>2001</u> £	<u>2000</u> £
Amounts falling due within one year:		
Bank loan (note 11)	65,786	65,783
Trade creditors	440	10,404
Other creditors	15,345	16,945
Other taxes and social security costs	4,666	-
Accruals and deferred income	50,100	61,886
	<hr/>	<hr/>
	136,337	155,018
	<hr/>	<hr/>

YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2001

10 CREDITORS	<u>2001</u>	<u>2000</u>
	£	£
Amounts falling due after more than one year:		
Bank loan (note 11)	76,323	142,109
Obligations under finance leases	-	1,083
	<hr/>	<hr/>
	76,323	143,192
	<hr/>	<hr/>

11 BANK LOAN

The long term bank loan bears interest at 8.5% per annum and is repayable in monthly instalments of £5,482. The loan is secured via a fixed charge over the freehold premises.

	£	£
Amounts repayable within one year		65,786
Amounts repayable between one and two years	65,786	
Amounts repayable between two and five years	10,537	
	<hr/>	
Total due after one year		76,323
		<hr/>
		142,109
		<hr/>

12 LEASE COMMITMENTS

The minimum annual commitments due under operating leases are as follows:

	<u>2001</u>	<u>2000</u>
	£	£
Expiring between two and five years:		
Equipment	8,848	4,904
	<hr/>	<hr/>

13 DESIGNATED FUNDS

	£
Balance brought forward at 1 August 2000	55,000
Released to Income and Expenditure Account	(15,000)
	<hr/>
Balance carried forward at 31 July 2001	40,000
	<hr/>

The Designated Reserve represents an amount set aside out of general funds to finance specific anticipated expenditure incurred in the rewriting and revalidation of the BA course.

YMCA GEORGE WILLIAMS COMPANY
(INCORPORATED) (Limited by Guarantee)
NOTES TO THE ACCOUNTS

14 ANALYSIS OF CHANGES IN NET FUNDS

	Cash at <u>2000</u> £	<u>Cash flows</u> £	Cash at <u>2001</u> £
Bank investment deposits	150,000	113,591	263,591
Other cash at bank	250,812	(150,769)	100,043
	<hr/> 400,812	<hr/> (37,178)	<hr/> 363,634
Debt due within 1 year	(65,786)	-	(65,786)
Debt due after 1 year	(142,109)	65,786	(76,323)
Finance leases	(5,083)	3,348	(1,735)
	<hr/> 187,834	<hr/> 31,956	<hr/> 219,790
Total	<hr/> <hr/> 187,834	<hr/> <hr/> 31,956	<hr/> <hr/> 219,790

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	<u>2001</u> £	<u>2000</u> £
Increase/(decrease) in cash in the year	(37,178)	(21,354)
Cash outflow from mortgage payments	65,786	65,786
Change in net debt resulting from finance lease	3,348	4,000
	<hr/> 31,956	<hr/> 48,432
Movement in net funds in the year	31,956	48,432
Net funds at 1 August 2000	187,834	139,402
	<hr/> 219,790	<hr/> 187,834
Net funds at 31 July 2001	<hr/> <hr/> 219,790	<hr/> <hr/> 187,834

16 PENSION COMMITMENT

Pension arrangements for the College's staff are made through the YMCA England contributory pension plan, which provides its members with defined benefits based on final pensionable pay. The assets of the Plan are held separately from those of YMCA England being invested in the Legal & General, Morley Fund Management and Schroders Managed Funds Units. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent completed valuation was as at 1 May 1999. The assumptions used which have the most significant effect on the results of the valuation are those relating to the investment yield of 8% per annum and the rate of earnings increase of 6.25% per annum. The result of the valuation showed that the actuarial value of the assets was £30.5m. This represented 107% of the benefits that had accrued to members, after allowing for expected future increases in earnings. However, under Section 56 of the Pensions Act 1995, the Minimum Funding Requirement (the MFR) funding level was 92%.

During the year ended 31 March 2001, contributions for employees were 6% of salary and the employer contributions were 10%. In light of the MFR funding level the employer contributions will increase to 14% of salaries from 1 May 2001 until 30 April 2007.

The pension charge for the year is given in note 4. It is not at present practicable to obtain the additional information required for disclosures under Financial Reporting Standard 17 "Retirement Benefits".