

GRIMSBY & CLEETHORPES YMCA
(a company limited by guarantee)

FINANCIAL STATEMENTS

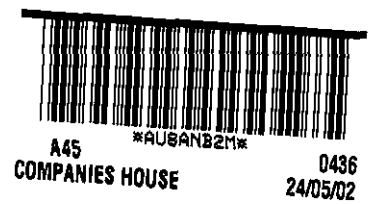
31 DECEMBER 2001

REGISTERED NO. 3241634

HLB KIDSONS

Chartered Accountants

GRIMSBY



GRIMSBY & CLEETHORPES YMCA

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

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GRIMSBY & CLEETHORPES YMCA

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2001

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

Business review

The company's principal activity is to provide youth and community work within the local area through the provision of high quality programmes in the field of:

- social housing
- personal and social development
- sport, health and fitness

The company is a registered social landlord (number LH4152) under the Housing Associations Act 1985 and a registered charity (number 1058613).

Surplus for the year

The company achieved a surplus for the year of £9,007. The directors do not propose to make a distribution.

Directors

The directors of the company during the year were:

J Board
C Ellis
Mrs P Would
P Heath
D Hopkinson (appointed 21 May 2001)
Canon M Hunter (resigned 16 July 2001)

Mrs P Pardy
P Penszor
P R F Rudd
Mrs G M Tate
J Wiseman

Bed spaces

During the year there was one dwelling unit, 71 hostel bed spaces and 26 self contained units in management (2000 one dwelling unit, 71 hostel bed spaces).

Signed on behalf of the board



J Board
Director

Registered office:

Peaks Lane
Grimsby
North East Lincolnshire
DN32 9ET

25 March 2002

GRIMSBY & CLEETHORPES YMCA**STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE FINANCIAL STATEMENTS**

Housing Association legislation requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those accounts the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Statement of Recommended Practice, Accounting by Registered Social Landlords; and
- prepare the financial statements on the going concern basis.

The Directors confirm that the accounts comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Housing Association Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GRIMSBY & CLEETHORPES YMCA**BOARD OF DIRECTORS' STATEMENT
ON INTERNAL FINANCIAL CONTROLS**

The Board of Directors acknowledge their ultimate responsibility for ensuring that the company has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the company or for publication
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the company's assets.
- experienced and suitable qualified staff take responsibility for important business functions.
- forecasts and budgets are prepared which allow the Board and management to monitor the key 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 Board members.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

GRIMSBY & CLEETHORPES YMCA**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS****YEAR ENDED 31 DECEMBER 2001**

We have audited the financial statements of Grimsby & Cleethorpes YMCA for the year ended 31 December 2001 on pages 6 to 13. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and the auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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 company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not apply to any other information.

Basis of 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 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 the company's affairs as at 31 December 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

GRIMSBY & CLEETHORPES YMCA**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS****YEAR ENDED 31 DECEMBER 2001****(continued)****Corporate Governance Matters**

In addition to our audit of the accounts, we have reviewed the Board of Directors' statement on page 3 on the company's compliance with the Housing Corporation Circular R2-18/96 "Internal Financial Control and Financial Reporting" ("the Circular"). The objective of our review is to enable us to conclude on whether the Board has provided the disclosures required by the Circular and whether the statement is not inconsistent with the information of which we are aware from our audit work on the accounts.

Basis of Opinion

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of the company's system of internal financial control or its corporate governance procedures.

Opinion

With respect to the Board of Directors' statement on internal financial control on page 3, in our opinion the Board of Directors has provided the disclosures required by the Circular and the statement is not inconsistent with the information of which we are aware from our audit work on the company's accounts for the year ended 31 December 2001.



27 Osborne Street
Grimsby
North East Lincolnshire
DN31 1NU

HLB Kidsons
Registered Auditors
Chartered Accountants

25 March 2002

GRIMSBY & CLEETHORPES YMCA
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
Turnover		660,514	527,803
Operating expenses		<u>637,704</u>	<u>529,117</u>
Operating surplus/(deficit)		22,810	(1,314)
Bank interest receivable		<u>6,476</u>	<u>7,417</u>
Surplus on ordinary activities before taxation	5	29,286	6,103
Taxation	6	—	—
Surplus for the year		29,286	6,103
Transfer to designated reserves	12	(20,279)	(4,438)
	11	<u>9,007</u>	<u>1,665</u>

The results for both 2001 and 2000 are derived from continuing operations.

There are no recognised gains or losses other than the surplus for the year.

GRIMSBY & CLEETHORPES YMCA

BALANCE SHEET

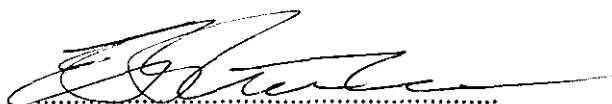
31 DECEMBER 2001

	Note	2001	2000
		£	£
Fixed assets			
Housing property	7	478,374	482,988
Less: Social housing and other grants	7	<u>338,261</u>	<u>338,261</u>
		140,113	144,727
Other fixed assets	7	80,017	59,322
Less: Other grants	7	<u>66,972</u>	<u>48,000</u>
		153,158	156,049
Current assets			
Stock		3,271	3,572
Debtors	8	48,631	23,212
Cash at bank		191,239	182,562
Cash in hand		<u>657</u>	<u>319</u>
		243,798	209,665
Creditors: amounts falling due within one year	9	(121,231)	(114,825)
Net current assets		<u>122,567</u>	<u>94,840</u>
Total assets less current liabilities		275,725	250,889
Creditors: amounts falling due after more than one year	10	<u>-</u>	<u>4,450</u>
		<u>275,725</u>	<u>246,439</u>
Capital and reserves			
Capital reserve	11	186,453	216,525
Income and expenditure account	11	64,555	25,476
Designated reserves	12	<u>24,717</u>	<u>4,438</u>
		<u>275,725</u>	<u>246,439</u>

The financial statements on pages 6 to 13 were approved by the board of directors on 25 March 2002.



J Board
Director



P Penszor
Director

The notes on pages 8 to 13 form part of these financial statements.

GRIMSBY & CLEETHORPES YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

a) Statutory basis

The accounts of the company are governed by the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

b) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting for Registered Social Landlords and the Accounting Requirements for Registered Social Landlords General Determination 2000.

c) Turnover

Turnover comprises:

- i) rental income and other residential charges from tenants receivable in the period;
- ii) other services included at the invoiced value of goods and services supplied in the period and
- iii) revenue grants.

d) Social Housing Grant and other grants

Where developments have been financed wholly or partly by grants, the cost of these developments has been reduced by the amount of grant received. Social Housing Grant, which is received in advance of the total development programme costs, if applicable, is shown as a current liability. Social Housing Grant is repayable under certain circumstances, primarily following the sale of a property.

e) Capital reserve

The capital reserve arose on the transfer of the charitable organisation to the company. The reserve is being amortised over the life of the fixed assets transferred.

f) Designated reserves

A major repairs fund is maintained to provide for extraordinary repair, improvement or rebuilding of the housing property. Annual contributions are charged to the income and expenditure account.

GRIMSBY & CLEETHORPES YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

(continued)

1 Accounting policies (continued)

g) Pensions

The cost of providing retirement pensions is charged to the income and expenditure account over the periods benefiting from the employees' service.

h) Fixed assets

Housing properties are principally properties available for rent and are stated at cost less Social Housing Grant and accumulated depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

Other tangible fixed assets are stated at cost less grants and accumulated depreciation.

Depreciation is provided on housing properties (excluding land) to write off the cost less Social Housing Grant over their anticipated useful life of 50 years.

Depreciation is provided on housing property improvements and other tangible fixed assets to write off the cost less residual value and grants received over their anticipated useful life of 5 years.

i) Stocks

Stocks consist of consumable stores and are valued at the lower of cost and net realisable value.

2 Rent arrears and rent

	2001 £	2000 £
Rent receivable	237,765	183,529
Service charges receivable	211,216	179,697
Losses from voids	<u>(86,756)</u>	<u>(41,213)</u>
	<u>362,225</u>	<u>322,013</u>

GRIMSBY & CLEETHORPES YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

(continued)

3 Directors and chief executive's emoluments

	2001 £	2000 £
Chief executive (who is not a director)		
Emoluments (including pension contributions and benefits in kind)	<u>38,156</u>	<u>36,155</u>
(excluding pension contributions)	<u>33,788</u>	<u>32,875</u>

The Chief Executive is an ordinary member of the National Council of YMCA's Pension Scheme.

**Total expenses reimbursed not chargeable to
United Kingdom income tax**

Chief executive	<u>2,908</u>	<u>4,167</u>
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The directors received no remuneration during the year.

4 Employee information

	2001 Number	2000 Number
The average number of persons employed during the year was	<u>44</u>	<u>36</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	410,943	313,114
Social security costs	24,308	19,608
Other pension costs	<u>13,980</u>	<u>9,395</u>
	<u>449,231</u>	<u>342,117</u>

GRIMSBY & CLEETHORPES YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

(continued)

5 Surplus on ordinary activities before taxation

	2001 £	2000 £
Surplus on ordinary activities before taxation is stated after charging/(crediting):		
Bad debts	4,913	4,007
Depreciation of tangible fixed assets – freehold housing properties	6,897	6,201
- other	6,211	8,176
Auditors' remuneration – as auditors	5,200	4,000
Revenue grants	<u>(181,626)</u>	<u>(78,876)</u>

6 Taxation

The company is a registered charity and is therefore exempt from liability to taxation on its income and capital gains.

7 Tangible Fixed Assets

	Freehold Housing Property £	Freehold Housing Property Improvements £	Fixtures Fittings and Equipment £	Total £
Cost				
At 1 January 2001	232,907	265,639	129,798	628,344
Additions	<u>-</u>	<u>2,283</u>	<u>26,906</u>	<u>29,189</u>
At 31 December 2001	<u>232,907</u>	<u>267,922</u>	<u>156,704</u>	<u>657,533</u>
Less: Depreciation				
At 1 January 2001	5,746	9,812	70,476	86,034
Charge for year	<u>2,873</u>	<u>4,024</u>	<u>6,211</u>	<u>13,108</u>
At 31 December 2001	<u>8,619</u>	<u>13,836</u>	<u>76,687</u>	<u>99,142</u>
Less: Social Housing grants				
At 1 January 2001 and 31 December 2001	<u>89,264</u>	<u>-</u>	<u>-</u>	<u>89,264</u>

GRIMSBY & CLEETHORPES YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

(continued)

7 Tangible Fixed Assets (continued)

	Freehold Housing Property £	Freehold Housing Property Improvements £	Fixtures Fittings and Equipment £	Total £
Less: Other grants				
At 1 January 2001	-	248,997	48,000	296,997
Additions	-	-	18,972	18,972
At 31 December 2001	-	248,997	66,972	315,969
Net book value				
At 31 December 2001	135,024	5,089	13,045	153,158
At 31 December 2000	137,897	6,830	11,322	156,049

8 Debtors

	2001 £	2000 £
Amounts falling due within one year		
Arrears of hostel rents	17,903	15,217
Other debtors and prepayments	30,728	7,995
	48,631	23,212

9 Creditors – amounts falling due within one year

Trade creditors	22,633	64,915
Hostel rents and deposits paid in advance	140	139
Grants received in advance	22,982	15,122
Other taxation and social security	6,741	5,376
Accruals and deferred income	68,735	29,273
	121,231	114,825

10 Creditors – Amounts falling due after more than one year

Non-housing loans	-	4,450
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GRIMSBY & CLEETHORPES YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

(continued)

11 Reconciliation of movements in reserves

	Income and Expenditure Account £	Capital Reserve £	Total £
At 1 January 2001	25,476	216,525	242,001
Surplus for the year after transfers	9,007	-	9,007
Transfer	<u>30,072</u>	<u>(30,072)</u>	<u>-</u>
At 31 December 2001	<u>64,555</u>	<u>186,453</u>	<u>251,008</u>

The transfer from capital reserve arises from the amortisation of tangible fixed assets transferred from the previous undertaking for no consideration.

12 Designated reserves

	Major repairs fund £
At 1 January 2001	4,438
Transfer from income and expenditure account	<u>20,279</u>
At 31 December 2001	<u>24,717</u>

13 Pension commitments

All employees are eligible to join the National Council of Young Men's Christian Association's (incorporated) Pension & Assurance Plan, which is a defined benefit pension scheme. The assets of the scheme are held separately being invested in the Legal & General, Morley Fund Management and Schroders Managed Funds Units.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the project unit method. The latest actuarial valuation of the scheme was at 1 May 1999. The assumptions that have the most significant effect on the valuation and other relevant data are as follows:

Rate of return on investments	-	8%
Rate of increase in salaries	-	6.25%
Rate if increase in pensions	-	3%
Rate of dividend growth	-	4.3%

The market value of the assets at the date of the last valuation was £30.5m.

The actuarial valuation of the assets represented 107% of the benefits that had been accrued to members after allowing for expected 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 December 2001 contributions for employees were 6% of salary and the employer contributions were 12% up to 30 April and 14.4% thereafter.