

GRIMSBY CLEETHORPES AND HUMBER REGION



(a company limited by guarantee)

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2011

Company registration No. 03241634

Registered Charity No 1058613

TSA Registered Housing Provider No. LH 4152



GRIMSBY CLEETHORPES AND HUMBER REGION



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GRIMSBY CLEETHORPES AND HUMBER REGION



OFFICERS AND PROFESSIONAL ADVISERS

Charity number	1058613
Company number	3241634
TSA registered housing provider number	LH 4152
Directors	K Bond D Rossdale N A Strawson M Taylor E Thinnesen D Swannack (Chairman) D Wooldridge P Gallant D Shenton
Chief executive officer	P Cornell
Registered office	St Aidan's Church Hart Street Cleethorpes North East Lincolnshire DN35 7RQ
Bankers	Barclays Bank PLC 35 Victoria Street Grimsby DN 31 1DE
Auditors	Forrester Boyd 26 South St Mary's Gate Grimsby North East Lincolnshire DN31 1LW
Solicitors	Wilkin Chapman New Oxford House Town Hall Square Grimsby North East Lincolnshire DN31 1HE

GRIMSBY CLEETHORPES AND HUMBER REGION



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

Board members

The directors of the company during the year were

K Bond	S M Denton (resigned 16/05/2011)
D Rossdale	M Taylor
M Laughton (resigned 04/01/2011)	E Thinnesen
A W Everett (resigned 25/07/2011)	E Watkinson (resigned 01/11/2011)
P Gallant	N A Strawson
D Swannack (appointed 29/07/2011)	D Wooldridge (appointed 07/10/2011)
D Shenton (appointed 15/11/2011)	

Principal activity and status

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 was incorporated on 23 August 1996 as Grimsby and Cleethorpes YMCA. At the Annual General Meeting held on 18th May 2009 the name was changed to Grimsby Cleethorpes and Humber Region YMCA to more accurately reflect the area of operation.

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

Business review

2011 was a testing year for the YMCA particularly in meeting the needs of a changing and challenging younger group at Peaks Lane and working within a reduced Supporting People contract. There was no change in housing provision with the 98 units across the three sites and the first full year of operation of the Community House saw the organisation achieve some outstanding results in terms of young people's personal success.

The Sleep Easy event in January 2011 saw over £15,000 raised for the organisation. Excellent relationships were developed and publicity generated. In the current economic climate both the funds and the raising of awareness are extremely important. The event was repeated in February 2012 with even greater success.

Quality outcomes and measuring the impact of our work remain critical to developing our work and the awarding of the Charity Commission endorsed YMCA INSYNC Award in 2011 was pleasing and reflects the high standards achieved. The introduction of the Director of Services position in October 2011 was further commitment to improve our offering to young people and to ensure we are in a process of continual improvement.



**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Business review (cont'd)

We managed to remodel some of our frontline housing services to meet the reduction in funding from Supporting People and with further cuts due in 2012 the ability to meet the needs of an increasingly challenging client group of 16-24 year olds, particularly in the Peaks Lane hostel, will require further changes in how we deliver services. Improvements in how we maximise our use of technology have increased in 2011 with more planned for 2012. This is part of the wider relocation of the central management team to offices in St Aidans Church in October 2011. This should provide the opportunity to develop the business and meet the requirements of young people and a shifting market in the years ahead.

Public Benefit

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Association aims and objectives and in planning future activities.

The focus of our work is

- the provision of social housing to displaced and homeless members of society,
- mentoring and coaching service users in their personal and social development,
- working in partnership with other agencies to secure the widest range of services available to match the needs of clients,
- provision of sport, health and fitness facilities to members of the community

The board of trustees has complied with section 4 of the Charities Act 2006, and in setting a programme each year has had regard to both the Charity Commission's general guidance on public benefit and provision of services for the client population. The board of trustees always ensures that the services provided are in line with the charitable objects and aims of the Association.

The board feels the aforementioned business review and principal activity support this conclusion.

Development of Peaks Lane

Continuing the process of attempting to secure sufficient capital funds for a new build at Peaks Lane and then subsequently at a possible alternative site in the Borough has again seen the present financial climate increase the risk and make the financial challenge of doing this beyond the means of the YMCA at this time.

Although excellent strategic support has been secured with the Local Authority the recent changes to the HCA regulatory funding framework have presented even more challenges for the YMCA. The Board continues to evaluate options and consider the best way forward.



**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Governance and management

In accordance with the Memorandum and Articles of Association the membership of the Board consists of The Chairman, The Vice-Chairman and The Treasurer plus such other directors as the Board shall from time to time decide. The number of directors shall not be subject to any maximum but shall be not less than four.

In the Annual General Meeting to be held in 2012 and every third year thereafter, the Chairman, Vice-Chairman and Treasurer shall retire, but shall be eligible for re-election. At every Annual General Meeting one third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office, but, if there is only one director who is subject to retirement by rotation, he shall retire.

In exceptional circumstances the Chairman, in consultation with the Chief Executive Officer and Finance Committee, shall have the power to make decisions where there is not adequate time to convene a Board Meeting, provided always that the Chairman acts in good faith and in the best interests of the Company, in the furtherance of the objectives set out in the Memorandum and Articles of Association.

The Board is working with a Housing Association Governance expert to ensure we comply fully with the Tenant Services Authority (TSA) new regulatory framework for social housing which came into effect on 1st April 2010. The Board is ensuring that the mechanisms in place allow clear and transparent governance to take place and reporting to occur. Currently the different governance codes available are being considered within an evaluated approach and following adoption of the code chosen the Board will outline how that code allows them to meet the TSA requirements. As a small registered housing provider working in just one local authority and in providing specialist provision the Board will carefully consider proportionality within its work.

Director induction and training

New Directors undergo informal orientation sessions which include invitation to an Executive Committee meeting prior to becoming a Director, visiting the registered office of the company to familiarise themselves in the way the organisation carries out its day to day duties and implements decisions. Business planning, the Memorandum and Articles of Association and financial performance are also covered and an induction pack is provided, together with a one to one briefing session with the Chief Officer.

Directors are also encouraged to attend external training events which assist them in undertaking the role.

As part of the work in considering the TSA requirements the recruitment, selection, induction, training, development and performance of board members is being evaluated to ensure there is a support system and mechanism in place to demonstrate transparent processes and accountability for members.



**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Key policies

The Association has in place a risk management action plan which sets out risks and their likelihood of occurrence. The action plan also covers the process for the monitoring and hence mitigation of risks where possible, through reviewing the risk register at each board meeting making changes to the register as appropriate.

The Association aims to keep its hostel accommodation at an affordable level of rent and in a properly maintained condition.

Rents

The company has an established rent policy which aims to charge rents within the guidelines set out by The Tenant Services Authority (TSA).

Treasury management

The company's treasury operations are managed by the finance section, and are subject to policies approved by the Board of Directors, with delegated authorities supplemented by detailed procedures and bank mandates. The company's treasury activities are routinely reported to the Board of Directors. The main financial risks to which the company is exposed relate to changes in the government's funding of special needs housing.

Liquidity

Throughout the year the company's policy has been to ensure flexibility and continuity of funding through the use of deposits.

Payment policy

When agreeing terms of business, it is the policy of the company to establish terms of payment with suppliers wherever practicable.

Director and officer indemnity insurance

During the year the company purchased and maintained liability insurance for its Directors.

Employees

The company firmly believes in equal opportunities, personal development and in ongoing training opportunities. The company wishes all staff to be trained to their maximum potential. New staff are appointed on the basis of merit only. The company encourages staff involvement and is committed to ensuring the health, safety and welfare of all staff.



**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Social accounting

The association is working towards introducing a new system of recording outcomes, Social Return on Investment (SROI) and evidencing the outstanding value and outcomes achieved by the work conducted

Reserves

The association aims to build up income and expenditure reserves representing six to twelve months of expenditure to allow the company to continue with planned activities

Directors' responsibilities

The and Registered Social Housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the 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 company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006, and with the Housing and Regeneration Act 2008

They are 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 AND HUMBER REGION



**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Statement of disclosure of information to auditors

We, the Board members of Grimsby, Cleethorpes & Humber Region YMCA Limited who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that

- there is no relevant audit information of which the RSHP's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Board members in order to make ourselves aware of any relevant audit information and to establish that the RSHP's auditors are aware of that information

Approval

On behalf of the board

A handwritten signature in black ink, appearing to read 'P. Gallant'.

Date 25th April 2012

P Gallant - DIRECTOR

A handwritten signature in black ink, appearing to read 'D. Swannack'.

Date 25th April 2012

D Swannack - DIRECTOR



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIMSBY CLEETHORPES AND HUMBER REGION YMCA
FOR THE YEAR ENDED 31ST DECEMBER 2011**

We have audited the financial statements of Grimsby Cleethorpes and Humber Region YMCA for the year ended 31 December 2011 set out on pages 12 to 21. 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 housing association'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 association'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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors 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 the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its income and expenditure for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice,
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIMSBY & CLEETHORPES YMCA
LIMITED (CONTINUED)
YEAR ENDED 31ST DECEMBER 2011**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' 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 to you 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

A handwritten signature in black ink that reads 'Forrester Boyd'.

**Kevin Hopper (Senior Statutory Auditor)
for and on behalf of Forrester Boyd**

Date 25th April 2012

**Chartered Accountants
Statutory Auditor**

26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

GRIMSBY CLEETHORPES AND HUMBER REGION**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

		2011 £	2010 £
	Notes		
Turnover		1,490,484	1,462,930
Operating costs		<u>(1,419,592)</u>	<u>(1,358,876)</u>
Operating surplus		70,892	104,054
Interest receivable and similar income	5	<u>7,256</u>	<u>2,324</u>
Surplus on ordinary activities before taxation	3	78,148	106,378
Taxation on surplus on ordinary activities	6	-	-
Surplus for the year		<u>78,148</u>	<u>106,378</u>

The only recognised gain is the surplus for the period of £78,148

There is no difference between the reported surplus for the period and historical cost surpluses


The results relate wholly to continuing activities

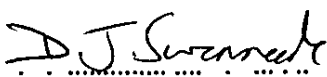
GRIMSBY CLEETHORPES AND HUMBER REGION

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
Fixed assets			
Housing properties at depreciated cost	7	1,906,435	1,916,615
Less			
Social housing and other grants		<u>(1,761,816)</u>	<u>(1,761,816)</u>
		144,619	154,799
Other fixed assets	7	49,326	31,789
		<u>193,945</u>	<u>186,588</u>
Current assets			
Stocks and work in progress		3,949	5,222
Debtors	9	18,576	44,125
Cash at bank and in hand	10	<u>971,182</u>	<u>866,277</u>
		993,707	915,624
Creditors: amounts falling due within one year	11	<u>(110,028)</u>	<u>(102,736)</u>
Net current assets		<u>883,679</u>	<u>812,888</u>
Total assets less current liabilities		<u>1,077,624</u>	<u>999,476</u>
Provisions for liabilities and charges			
Pensions liability	15	<u>(171,698)</u>	<u>(171,698)</u>
Totals provisions for liabilities and charges		(171,698)	(171,698)
		<u><u>905,926</u></u>	<u><u>827,778</u></u>
Capital and reserves			
Housing property revaluation reserve	13	160,596	160,596
Revenue reserves	13	245,330	667,182
Development reserve	13	500,000	-
		<u><u>905,926</u></u>	<u><u>827,778</u></u>

These financial statements were approved and authorised for issue by the Board on 25th April 2012
On behalf of the Board

 Director
P Gallant

 Director
D Swannack

Company Registration No. 3241634



**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011**

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards, the Statement of Recommended Practice Accounting by Registered Social Landlords 2008 and with the Accounting Requirements for Registered Social Landlords General Determination 2006. The accounts are prepared in accordance with the historical cost basis of accounting except as modified by the revaluation of investments and certain fixed assets.

Turnover

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income, revenue grants from local authorities and the Homes and Communities Agency (previously the Housing Corporation), and disposal proceeds from current asset property disposals, including any surplus on the sale of the first tranche of shared ownership properties.

Supporting People contracts

Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

Fixed Assets and Depreciation

Tangible fixed assets, except freehold land, are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Housing properties, houses	2%
Plant and machinery	10%
Furniture and equipment	10%
Office equipment	10%
Motor vehicles	20%

The useful economic lives of all tangible fixed assets are reviewed annually.

Capitalisation of Development Overheads

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs are the incremental costs that would have been avoided only if the property had not been constructed or acquired.



**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011**

Impairment

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is an indication that impairment has occurred or if they are not being depreciated

Impairments that are a result of a major reduction in the service potential of a property are recognised in the income and expenditure account. Impairments that reflect general changes in price are, where the property is shown at a valuation, recognised in the statement of total recognised surpluses and deficits until the value of the asset falls to depreciated historical cost

Further impairments, or the full impairment if the property has not been revalued, are then recognised in the income and expenditure account

Social Housing Grant (SHG) and Other Grants

SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received

SHG received as a contribution towards the capital costs of a scheme is shown in the Housing Properties note 16. Where properties are included at historical cost, the total grant receivable is deducted from the cost of housing properties

Provisions

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure

Receipts in advance in respect of agreements to carry out improvement works on properties on behalf of third parties are recognised in creditors unless it is appropriate to offset such balances with other balances relating to the same third party in accordance with Financial Reporting Standard (FRS) 5 Reporting Financial Performance

Taxation

No taxation is payable by the company, since it has charitable status and its activities are exempt from tax

GRIMSBY CLEETHORPES AND HUMBER REGION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011
Pension Costs

Grimsby Cleethorpes and Humber Region YMCA participated in a multi-employer pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Grimsby Cleethorpes and Humber Region YMCA for the purposes of Financial Reporting Standard 17 disclosure.

The cost of the defined benefit pension plan was charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees. Pension cost is assessed in accordance with the advice of qualified actuaries. Actuarial surpluses and deficits are currently spread over a period of 10 years. The employer contributions in relation to the pension plan are determined by a qualified actuary and charged to the Statement of Financial Activities as made.

Development reserve

The Development reserve is a designated reserve.

Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose, in this case, for the development and improvement of the social houses of the Grimsby Cleethorpes and Humber Region YMCA. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made from designated reserves as appropriate.

2 UNITS IN MANAGEMENT

	Units at End	Units at Start
Social housing	98	98

3 OPERATING SURPLUS

	2011 £	2010 £
Operating surplus is stated after charging		
Directors' and Chief Executive Officers remuneration	58,999	58,601
Auditors' remuneration (including expenses and benefits in kind)	6,500	6,300
Rent losses from bad debts	45,772	26,877
Depreciation and amortisation of owned assets	9,209	5,782



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

4 EMPLOYEE INFORMATION

	2011	2010
The average number of persons employed during the year expressed in full time	37	35
	£	£
Staff costs (including members of the Board)		
Wages and salaries	787,684	756,023
Social Security costs	65,093	62,030
	<u>852,777</u>	<u>818,053</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	£	£
Bank deposits	<u>7,256</u>	<u>2,324</u>

6 TAXATION

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



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

7 TANGIBLE FIXED ASSETS

	Housing Properties for Lettings £	Other £	Total £
Cost			
At beginning of year	1,974,132	247,604	2,221,736
Grants	(1,761,816)	(97,304)	(1,859,120)
Cost net of grants	<u>212,316</u>	<u>150,300</u>	<u>362,616</u>
Additions	35,403	23,116	58,519
Disposals	(41,952)	-	(41,952)
At end of year	<u>205,767</u>	<u>173,416</u>	<u>379,183</u>
Depreciation			
At beginning of year	57,517	118,512	176,029
Charge for year	3,631	5,578	9,209
On disposals	-	-	-
At end of year	<u>61,148</u>	<u>124,090</u>	<u>185,238</u>
Net Book Value at end of year	<u>144,619</u>	<u>49,326</u>	<u>193,945</u>
Net Book Value at beginning of year	<u>154,799</u>	<u>31,788</u>	<u>186,587</u>

The main value within Housing properties for lettings is the value of the Foyer which is included at original cost in 2000. The Peaks Lane property is included at the original 1971 value.

Market values are all in excess of net book values per the financial statements.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

8 SOCIAL HOUSING GRANTS

At the balance sheet date total accumulated capital Social Housing Grants amount to

	2011 £	2010 £
Capital Grants	<u>1,859,119</u>	<u>1,859,119</u>

The Peaks Lane 30 year capital grant of £314,511 is repayable to the Homes and Communities Agency if there is a change of purpose or the property is sold or destroyed within this time scale. The amount is made up of several smaller grants which date from 1985 to 1997.

9 DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2011 £	2010 £
Rent arrears	15,451	35,018
Prepayments and accrued income	3,125	9,107
	<u>18,576</u>	<u>44,125</u>

10 CASH AT BANK AND IN HAND

The cash at bank figure includes an amount of £500,000, which has been specifically designated by the board, for the future development of Peaks Lane, as detailed in the accounting policies and at note 13.

11 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	-	6,464
Other tax and social security	20,378	19,338
Accruals and deferred income	89,650	67,309
Other creditors	-	9,625
	<u>110,028</u>	<u>102,736</u>

GRIMSBY CLEETHORPES AND HUMBER REGION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2011
12 PROVISIONS FOR LIABILITIES

	Pension deficit
	£
Balance as at 1 January 2011	171,698
Utilised during the year	17,266
Charge for the year	(17,266)
Balance as at 31 December 2011	<u>171,698</u>

A provision has been made for the pension scheme deficit on the closed pension scheme, see note 15

13 RESERVES

	Development Fund	Revenue	Revaluation	Total
	£	£	£	£
Balance as at 1 January 2011	-	667,182	160,596	827,778
Surplus for the year	-	78,148	-	78,148
Transfers	500,000	(500,000)	-	-
Balance as at 31 December 2011	<u>500,000</u>	<u>245,330</u>	<u>160,596</u>	<u>905,926</u>

14 SHARE CAPITAL

The company is limited by guarantee and has no share capital. However, each Member of the Association has guaranteed to contribute a maximum of £1, should there be a call on the guarantees.

15 PENSION COMMITMENTS

The Grimsby, Cleethorpes and Humber Region YMCA participates 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 Grimsby, Cleethorpes and Humber Region YMCA and at the year-end these were invested in pooled funds operated by Legal & General (equities and bonds and property units) and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2011. 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 6.2% and 4.95% respectively, the increase in pensions in payment of 3.4%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.5 years, female 24.9 years, and 24.4 years for a male pensioner, female 26.8 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £71m. This represented 69% of the benefits that had accrued to members.



**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011**

15 PENSION COMMITMENTS (continued)

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Grimsby Cleethorpes and Humber Region YMCA for the purposes of Financial Reporting Standard 17 disclosure and accordingly the full FRS 17 deficit is not shown on the balance sheet

After taking professional advice and having consideration to the various options open to them, YMCA England in its capacity as Principal Employer in the YMCA Pension Plan and in conjunction with the Trustee of the YMCA Pension Plan, made the recommendation that the YMCA Pension Plan should now close to new members and the future benefit accruals. After consultation with members and participating YMCA employers, the Trustee of the YMCA Pension Plan informed participating YMCA Employers on 8 May 2006 that they would adopt the recommendation and that the YMCA Pension Plan would close with effect from 30 April 2007. Furthermore, it was agreed following a consultation process to remove the salary linkage for benefits from 1 May 2011 and Employed Deferred members became normal Deferred members from that date.

The valuation prepared as at 1st May 2011 showed that the YMCA Pension Plan had a deficit of £32.3 million. Grimsby Cleethorpes and Humber Region YMCA has been advised that it will now need to make monthly contributions of £1,459 from 1 May 2012. This amount is based on the current actuarial assumptions and will vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 11 years.

In addition, Grimsby Cleethorpes and Humber Region YMCA 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 Grimsby Cleethorpes and Humber Region YMCA may be called upon to pay in the future.