

**GRIMSBY CLEETHORPES
AND HUMBER REGION**



(a company limited by guarantee)

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2016

Company registration No. 03241634

Registered Charity No. 1058613

Homes & Communities Agency Registered Housing Provider No. LH 4152

SATURDAY



A11 *A6CNX02P* 12/08/2017 #133
COMPANIES HOUSE

YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.

SUPPORT & ADVICE

ACCOMMODATION

FAMILY WORK

HEALTH & WELLBEING

TRAINING & EDUCATION

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YEAR ENDED 31 DECEMBER 2016**

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OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2016

Charity number	1058613
Company number	3241634
Homes & Communities Agency registered housing provider number	LH 4152
Directors	N A Strawson D Wooldridge P Gallant D Fortune S Cross H Kirk (Resigned 12/09/2016) S Gallaher (Chairman) S Hunt J Keen
Chief executive officer	M Smith
Key management personnel	J Manton S Marray H Pine
Registered office	Peaks Lane Grimsby South Humberside DN32 9ET
Bankers	Barclays Bank PLC 35 Victoria Street Grimsby North East Lincolnshire DN31 1DE
Auditors	Forrester Boyd 26 South St. Mary's Gate Grimsby DN31 1LW
Solicitors	Wilkin Chapman LLP Cartergate House 26 Chantry Lane Grimsby DN31 2LJ

BOARD REPORT (INCLUDING STRATEGIC REPORT).
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors of the board present their report, including the strategic report, and the audited financial statements of the Grimsby, Cleethorpes and Humber Region YMCA for the year ended 31 December 2016.

Directors of the board

The directors who held office during the year were as follows:

N A Strawson	D Wooldridge
P Gallant	D Fortune
S Cross	S Hunt
H Kirk (Resigned 12/09/2016)	S Gallaher
J Keen	

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:

- Support and Advice
- Accommodation
- Family Work
- Health and Wellbeing
- Training and Education

The way we act at YMCA is characterised by five strong and distinctive values that flow from our Christian ethos:

We Seek Out

We actively look for opportunities to make a transformative impact on young lives in the communities where we work, and believe that every person is of equal value.

We Welcome

We offer people the space they need to feel secure, respected, heard and valued; and we always protect, trust, hope and persevere.

We Inspire

We strive to inspire each person we meet to nurture their body, mind and spirit, and to realise their full potential in all they do.

We Speak Out

We stand up for young people, speak out on issues that affect their lives, and help them to find confidence in their own voice.

**BOARD REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Business review (cont'd)

We Serve Others

We are committed to the wellbeing of the communities we serve and believe in the positive benefit of participation, locally and in the wider world.

Overview:

2016 was a year of foundational change for YMCA Humber. With the appointments of new Senior Staff toward the end of 2015, the Board and Senior Leadership Team's (SLT) focus was set upon creating a strong foundation upon which we can build for the future.

It has been said that in order to set a wise path for the future that you need to understand your past, and 2016 provided us with that opportunity. A successful Heritage Lottery grant allowed YMCA Humber to plot our history, to uncover our roots and help inform our thoughts as we plan and prepare for our future. Amongst many interesting facts, we discovered some very important insights. Namely that YMCA in Grimsby has been embedded within the community since 1882 and not 1906 as commonly believed and that the charity has been sustained by local people mostly from small independent businesses who have led with a heart to provide opportunities within the community that transform lives. Further insights into our history can be found in our publication 'Grimsby YMCA - A Rich History'.

It was with this insight 200 people including business leaders attended our Showcase event in October at Cleethorpes Pier where the production 'Soul in the Machine' was performed telling the story of how YMCA began and the remarkable account how it grew into the world's largest youth focussed charity. The event was a great success, not only recruiting new trustees and sleep easy participants as a result of the evening but also to get the message out of how and why YMCA exists building upon the firm foundations laid so many years ago.

During this year of change it was with some sadness that the first decision in this journey was the closure of the Turning Point project in Hull. The project had merged with YMCA Humber in early 2015 but changes required to the structure and operations of the project proved too difficult to achieve and therefore the project closed in May 2016 once all residents were found appropriate alternative accommodation.

The ever changing forecast for income attached to accommodation and youth services provided the catalyst to begin the remodel our service model in order to prepare for a world where payments for delivering a service are made based upon impact. With this in mind our accommodation team underwent a restructure focused on creating a culture of leadership as opposed to management. As we seek to create an environment where the individual assets of our members are recognised, it is important that this culture begins with our staff.

As with all restructures valued members of staff who have served the charity over a number of years moved on from YMCA. These individuals served the association tirelessly for many years and we are truly grateful for all they have given.

In 2017 we will continue to solidify the foundations upon which each member of staff's gifts, talents and abilities will be utilised to maximise our collective impact.

Support and Advice

We were successful in winning a North East Lincolnshire Council Tender to deliver Housing Related Support (HRS) to 103 individuals. The contract runs until June 2018 with potential extensions. The success of this process has allowed us to continue to provide support within our accommodation services which is fundamental to being able to provide a foundation for people to rebuild following crisis.

**BOARD REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Business review (cont'd)

In 2017 we will seek to become an accredited provider of Information, Advice and Guidance to complement the support provided to our members.

Accommodation

In 2016 work began to increase our accommodation units at Peaks Lane by five for opening in January 2017. Called the 'Founders Wing' each room has been named after a key individual in our Association's history and provides internal 'move on' accommodation for members.

Ongoing maintenance to improve our Foyer project has taken place within the year, with negotiations underway to purchase the land upon which the Foyer is built.

The Community House continues to provide an excellent standard of accommodation for up to 5 young men who have been involved in past criminal activity.

Throughout 2016 we have continued to work hard to find a solution for our ageing site at Peaks Lane. A second incarnation of 'Trinity Campus' was given planning consent by NELC, but the uncertainty over the future of how housing benefit will be paid to supported accommodation providers means that taking on the levels of debt required to build the campus is too high a risk at this time. Whilst the DWP complete their consultation and new legislation is agreed we will continue to search for additional sources of funding for the planned project as well as consider new options for the site.

Family Work

Our youth and community work continues to grow and thrive. The appointment of a new Youth and Community manager to lead the team has provided a foundation for the Universal Youth Service contract to become established and with the help of Partners – Oasis, Shalom, GHoPA, NELC, Lincs Inspire and Centre4, we have seen this work flourish.

We were pleased to witness the opening of two new youth clubs with the partnerships' support, on the Grange and Nunthorpe Estates. It is the aim of the Youth Partnership to support these clubs with the necessary training and volunteer recruitment to become self-sustaining into the future.

Our YMCA led Youth Club at Immingham's Bert Boyden centre has grown to be an important feature in young people's weekly calendar. Seeing up to 50 young people on an evening the club has secured three years funding from Children in Need so that it will run until at least 2020.

Another project of note is "I'm Possible". This pilot project ran in the summer of 2016 supporting 8 year 6 pupils in their transition to secondary Academies. The success of this project has seen its funding continue for 2017 and cohort double.

Health and Wellbeing

Throughout 2016 we have engaged with two National campaigns, 'I am Whole' and 'Be Real' raising awareness of mental health and encouraging body confidence.

Locally our Chrysalis project provided counselling and mentoring support to members and those in the community seeking to be 'employment ready'. Throughout the year we have refined this project to work alongside our accommodation, support and training services and have successfully obtained Reaching Communities Funding from the Big Lottery Fund for three years.

Our Sports Hall remains a key community facility providing a space for community sports 7 days a week. We have continued to host the Grimsby Futsal League the growth of which has been encouraging especially in the youth section.

**BOARD REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Business review (cont'd)

Throughout 2017 we will continue to allow our understanding of mental health to inform all of our work and develop partnerships with local sports clubs to enhance our offer to children, young people and families.

Training and Advice

As part of the organisational restructure in 2016 we made provision for the development of a training arm of the organisation to be developed. Throughout 2017 we will continue to pursue this in partnership with other YMCA's.

Principal risks and uncertainties

Looking ahead to 2017 the principal risks for the association lie in the proposed reform to Housing Benefit. At the time of writing the government are consulting on a green paper detailing their plans for Supported Accommodation for 2019 and beyond. It is anticipated that a White paper will be released in the summer of 2017 which will then provide us with the details to further plan for the future.

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.

At our AGM in June 2015 the new YMCA Memorandum and Articles of Association were adopted by our board appointing the current and future board members as the only voting members of our Association.

Every Director shall be appointed by the Directors for an initial term of up to 3 years and may be reappointed for two further such terms of up to 3 years. No Director may serve more than nine consecutive years in office, without taking leave from office of at least one year.

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.

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 Executive Officer.

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

**BOARD REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

As part of the work in considering the Homes & Communities Agency 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.

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 and sub group 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 Homes & Communities Agency.

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.

**BOARD REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

Within the current level of reserves £500,000 has been designated for the development and purchase of current or new accommodation units.

Also included in the income and expenditure reserve are funds earmarked for certain activities including;

The Development Reserve which has been earmarked by the Board for the development, improvement and purchase of social houses for the Grimsby Cleethorpes and Humber Region YMCA.

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,
- Facilitating the local community in the delivery of community based youth services
- 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 2011, 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.

Directors' responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The 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).

**BOARD REPORT (INCLUDING STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board is 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

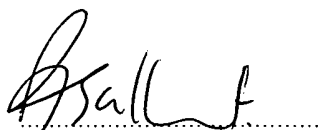
They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

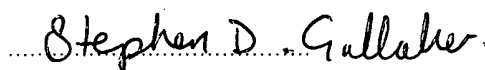
We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

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

In approving the Board's Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.



P Gallant
Director
21st July 2017



S Gallaher
Director
21st July 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIMSBY CLEETHORPES AND
HUMBER REGION YMCA
FOR THE YEAR ENDED 31ST DECEMBER 2016**

We have audited the financial statements of Grimsby Cleethorpes and Humber Region YMCA for the year ended 31 December 2016 which comprise of the primary statements such as the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 9-10, 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 Board Report (including the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIMSBY & CLEETHORPES YMCA
(CONTINUED)
YEAR ENDED 31ST DECEMBER 2016**

- 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 2015.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Board Report (including the Strategic 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.



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

Date: 21st July 2017

**Chartered Accountants
Statutory Auditor**

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

**STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

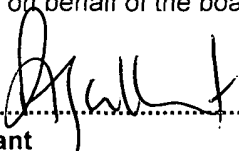
		2016	(As restated)
		£	2015
	Notes		£
Turnover	3	1,812,462	2,040,395
Operating expenditure		<u>(1,714,711)</u>	<u>(2,028,514)</u>
Operating surplus		97,751	11,881
Gain/(loss) on disposal of property plant and equipment	6	1,800	-
Exceptional expenditure	23	-	(164,160)
Interest receivable and similar income	5	2,641	2,275
Surplus before tax	6	102,192	(150,004)
Taxation		-	-
Total comprehensive income for the year		<u>102,192</u>	<u>(150,004)</u>

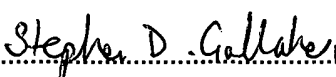
The only recognised gain is the surplus for the period of £102,192.

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

The results relate wholly to continuing activities.

Signed on behalf of the board 21st July 2017

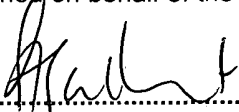
 Director
P Gallant

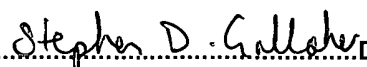
 Director
S Gallaher

BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £	(As restated) 2015 £
Fixed assets			
Housing properties at depreciated cost	10	<u>1,462,457</u>	<u>1,405,145</u>
		1,462,457	1,405,145
Other fixed assets	10	38,501	49,337
		<u>1,500,958</u>	<u>1,454,482</u>
Current assets			
Stocks and work in progress	11	3,812	3,698
Debtors	12	100,849	123,074
Cash at bank and in hand	13	<u>1,129,925</u>	<u>871,967</u>
		1,234,586	998,739
Creditors: amounts falling due within one year	14	<u>(528,147)</u>	<u>(302,986)</u>
Net current assets		<u>706,439</u>	<u>695,753</u>
Total assets less current liabilities		<u>2,207,397</u>	<u>2,150,235</u>
Creditors: amounts falling due after more than one year	15	(1,076,625)	(1,106,782)
Provisions for liabilities and charges			
Pensions liability	21	<u>(150,270)</u>	<u>(165,143)</u>
Totals provisions for liabilities and charges	16	(150,270)	(165,143)
		<u>980,502</u>	<u>878,310</u>
Capital and reserves			
Income and expenditure reserve	17	980,502	878,310
		<u>980,502</u>	<u>878,310</u>

These financial statements were approved and authorised for issue by the Board on 21st July 2017
Signed on behalf of the Board


..... Director
P Gallant


..... Director
S Gallaher

The notes on pages 15 to 27 form part of these accounts

Company Registration No. 3241634

STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31st DECEMBER 2016

	(As restated) Income & expenditure reserve
At 1 January 2016 as previously stated	1,440,696
Prior year adjustments	(562,386)
At 1 January 2016 as restated	878,310
Profit for the year	102,192
Total comprehensive income	102,192
At 31 December 2016	980,502

**STATEMENT OF CASH FLOWS
YEAR ENDED 31st DECEMBER 2016**

	Note	2016 £	2015 £
Cash flow from operating activities	20	361,947	107,015
Interest paid		-	-
Taxation paid		-	-
Net cash flow from operating activities		361,947	107,015
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(108,430)	(201,278)
Receipts from sale of tangible fixed assets		1,800	
Interest received		2,641	2,275
Net cash flow from investing activities		(103,989)	(199,003)
Net increase / (decrease) in cash and cash equivalents		257,958	(91,988)
Cash and cash equivalents at 1 January		871,967	963,955
Cash and cash equivalents at 31 December		1,129,925	871,967

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016

1 ACCOUNTING POLICIES

General information and basis of preparation

Grimsby, Cleethorpes and Humber Region YMCA is a registered charity, a Limited company and a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of operations and principal activities are in the field of:

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

The company constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (*The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS102)), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the company, and round to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Turnover

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Interest income is recognised using the effective interest method.

Housing Related Support 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.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

Government grants

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is expected to compensate. The related expenditure is included under operating costs. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

Government grants have been received as a contribution towards the capital costs of a scheme. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model, then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Tangible fixed assets

Tangible fixed assets (including social housing properties), except freehold land, are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, development costs, interest charges on loans during development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates the year after acquisition:

Housing properties, houses	2%
Plant and machinery	10%
Furniture and equipment	33%
Computer equipment	25%
Motor vehicles	20%

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

Housing properties under construction are not depreciated until they are in use.

Stocks

Stock is stated at the lower of cost and estimated selling price, less costs to complete and sell. Cost is calculated using the first in, first out formula.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in operating expenditure.

Assets and liabilities or income and expenditure are not offset.

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.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date, as a result of a past event, it is probable that an outflow of economic benefits will be required in the settlement and the amount can be reliably estimated.

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.

Taxation

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

Leases

Rentals payable and receivable under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Pension Costs

Grimsby Cleethorpes and Humber Region YMCA participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. 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, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 21 Grimsby, Cleethorpes and Humber Region YMCA has a contractual obligation to make pension deficit payment of £14,582 pa over the period to April 2027, accordingly this is shown as a liability in these accounts. In addition, Grimsby, Cleethorpes and Humber Region YMCA is required to contribute to £2,254 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities.

Restricted funds

Restricted funds are those donated for use in a particular area for specific purposes, the use of which is restricted to that area or purpose.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

2 SOCIAL HOUSING TURNOVER AND COSTS

	2016 £	2015 £
Rent receivable, excluding service charges	1,297,043	1,601,464
Service charges	20,436	24,002
Grant income	323,517	361,771
Amortised grant income	30,156	30,156
Other income	49,866	16,719
Social housing activity expenditure	(1,124,890)	(1,671,636)
Operating surplus/ from social housing activities	908,440	902,535
Net surplus/(deficit) from social housing activities	448,218	184,016
Void losses	(147,910)	(148,306)

3 TURNOVER

The analysis of the company's turnover for the period from continuing operations is as follows:

	2016 £	2015 £
Social housing income	1,571,311	1,885,804
Sale of goods	14,591	13,479
Rendering of services	5,455	13,149
Facility lettings	18,946	20,029
Donations and grants	202,159	107,934
	<u>1,812,462</u>	<u>2,040,395</u>

4 ACCOMODATION OWNED AND IN MANAGEMENT

	Units at End	Units at Start
General need housing – Let at social rent	<u>98</u>	<u>149</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Bank deposits	<u>2,641</u>	<u>2,275</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

6 OPERATING SURPLUS

	2016	2015
	£	£
Operating surplus is stated after charging:		
Directors' and Chief Executive Officers remuneration	53,410	55,653
Auditors' remuneration (including expenses and benefits in kind)	7,850	7,150
Operating leases	6,484	4,366
Government grants	(30,156)	-
Rent losses from bad debts	35,728	49,267
Depreciation and amortisation of owned assets	61,951	68,105
(Gain) / loss on sale of tangible fixed assets	(1,800)	-

7 AUDITORS REMUNERATION

	2016	2015
	£	£
Fees payable to the auditor for the audit of the annual account	6,850	6,650
Fees payable to the auditors for other services	1,000	500

8 BOARD AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2016	2015
Amounts paid to key management personnel	198,326	172,081

There has been no remuneration paid to non-executive board members or directors.

The Chief Executive is included in the defined contribution pension scheme and is an ordinary member of the scheme. No enhanced or special terms apply. During the period the total amount contributed to the pension scheme was £1,552 (2015: £1,276).

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

9 EMPLOYEE INFORMATION

	2016	2015
The average number of persons employed during the year expressed in full time equivalents	<u>47</u>	<u>45</u>

Full time equivalent staff numbers have been calculated on the basis of 40 hours per week being full time hours.

	£	£
Staff costs		
Wages and salaries	998,771	1,057,571
Social Security costs	76,061	76,592
Pension costs	6,102	6,118
	<u>1,080,934</u>	<u>1,140,281</u>

HIGH PAID EMPLOYEES

No employees received emoluments exceeding £60,000.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

10 TANGIBLE FIXED ASSETS

	(As Restated) Housing Properties for Lettings £	Other £	(As Restated) Total £
Cost			
At beginning of year	2,099,729	294,793	2,394,522
Additions	93,750	14,680	108,430
Disposals	-	(2,650)	(2,650)
At end of year	<u>2,193,479</u>	<u>306,823</u>	<u>2,500,302</u>
Depreciation			
At beginning of year	694,584	245,456	940,040
Charge for year	36,438	25,516	61,954
On disposals	-	(2,650)	(2,650)
At end of year	<u>731,022</u>	<u>268,322</u>	<u>999,344</u>
Net Book Value at end of year	<u>1,462,457</u>	<u>38,501</u>	<u>1,500,958</u>
Net Book Value at beginning of year	<u>1,405,145</u>	<u>49,337</u>	<u>1,454,482</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.

11 STOCKS

	2016 £	2015 £
Consumable stocks	3,812	3,698
	<u>3,812</u>	<u>3,698</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

12 DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors (gross social housing rent arrears)	47,334	127,618
Less: provision for doubtful debt	-	(53,233)
Trade debtors (other)	46,735	40,060
Prepayments and accrued income	6,780	8,629
	<u>100,849</u>	<u>123,074</u>

13 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 a particular purpose, in this case, for the potential development, improvement and purchase of social houses for the Grimsby Cleethorpes and Humber Region YMCA.

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	38,381	47,933
Rents paid in advance	-	7,292
Other tax and social security	21,218	22,529
Accruals and deferred income	435,035	192,348
Other creditors	3,357	2,728
Government grants under accruals model	30,156	30,156
	<u>528,147</u>	<u>302,986</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Government grants under accruals model	1,076,625	1,106,782
	<u>1,076,625</u>	<u>1,106,782</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

16 PROVISIONS FOR LIABILITIES

	Pension deficit
	£
Balance as at 1 January 2016	165,143
Utilised during the year	
Charge for the year	(14,873)
Balance as at 31 December 2016	<u>150,270</u>

A provision has been made for the pension scheme deficit on the closed pension scheme, see note 21.

17 RESERVES

	(As restated) Income & expenditure reserve	Total
	£	£
Balance at 1 January 2016 as previously stated	1,440,696	1,440,696
Prior period adjustment	(562,386)	(562,386)
Balance at 1 January 2016 as restated	<u>878,310</u>	<u>878,310</u>
Surplus for the year	<u>102,192</u>	<u>102,192</u>
Balance at 31 December 2016	<u>980,502</u>	<u>980,502</u>

18 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.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

19 FINANCIAL COMMITMENTS

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Other		
Within one year	3,281	4,366
Within two or five years	<u>2,118</u>	<u>1,163</u>
	<u><u>5,398</u></u>	<u><u>5,529</u></u>

20 RECONCILIATION OF SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Surplus / (deficit) for the year	102,192	(150,004)
Interest payable	-	-
Interest received	(2,641)	(2,275)
Depreciation of tangible fixed assets	61,954	68,101
Proceeds of sale of tangible fixed assets	(1,800)	-
Carrying amount of tangible fixed asset disposal	-	650
Exceptional expenditure	-	164,160
(Increase) / decrease in stock	(114)	3,362
(Increase) / decrease in trade and other debtors	22,225	(71,517)
Increase / (decrease) in trade and other creditors	195,004	109,598
Increase / (decrease) in pension liability	(14,873)	(15,060)
Net cash flow from operating activities	<u><u>361,947</u></u>	<u><u>107,015</u></u>

21 PENSION COMMITMENTS

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 Grimsby Cleethorpes and Humber Region YMCA and accordingly the FRS 17 deficit is not shown on the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

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.

Multi-employer defined benefit plan (cont'd)

The valuation prepared as at 1st May 2014 showed that the YMCA Pension Plan had a deficit of £38.73 million. Grimsby Cleethorpes and Humber Region YMCA has been advised that it will now need to make monthly contributions of £1,215 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 year commencing 1st May 2015.

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	Total 2016 £'000	Total 2015 £'000
As at 31 March 2016	14,582	14,582	58,328	62,778	135,688	150,270	
As at 31 March 2015	14,582	14,582	58,328	77,651	150,561		165,143

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.

22 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose.

23 PRIOR PERIOD ADJUSTMENT

In the current year, it was deemed that planning works previously capitalised were no longer relevant, totalling £562,386. Due to the material nature of this adjustment, it has been deemed to be a prior year adjustment. The statement of comprehensive income has been restated by £164,160 to reflect costs incurred in 2015. The balance sheet and statement of changes in reserves have been restated to reflect the total movement in reserves.

24 CONTINGENT LIABILITY

During the year a claim was made against the Grimsby, Cleethorpes and Humber Region YMCA in relation to damage caused at properties relating to the Turning Point project. At this time the amount to be paid and timing of the payment cannot be reliably estimated.