

Company Registration No. 05051166 (England and Wales)

Charity Registration No. 1102837

Homes and Communities Agency Registration No. 4853

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

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SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

CHAIR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2017

As Chairman of Southend YMCA it gives me great pleasure to introduce the Trustees Report which sets out the group's accomplishments for 2016-17. We are a local, grass roots charity. **The challenge is Y we are here:** to meet the needs and aspirations of disadvantaged children and young people in our locality; to work for social justice and further opportunity – all with the aim of positively transforming young lives.

We are a **specialist children's charity** providing early intervention support. It is evident that without the care of the charity, children and young people on society's margins would have been homeless; they would not have established the resilience and positive sense of self that underpins the transition to adulthood; or developed the competencies to succeed in education and the workplace.

Despite a tough operating context characterised by sector cuts and uncertainties 2016-17 has been a steady year.

The overarching aspiration of the Board was realised i.e. to achieve registration as a Non- Profit Private Registered Provider of Social Housing with the Homes and Communities Agency (HCA). This was achieved in July 2017 (no 4853). The Charity also holds HCA Investment Partner status. Registration will enhance our standing and has already offered a number of benefits. Subsequent to our year end, we have purchased the Newlands site (a social housing property comprising 30 studio flats and a shared flat configured as emergency accommodation). We have successfully managed this property for over 20 years on behalf of YMCA England consistently achieving outcomes which are in the top 10% in the country (housing management KPIs). We have the support of CAF Bank to assist us in this exciting enterprise.

We were delighted that during the mayoral year 2016-2017 the Mayor of Southend Cllr. Judith McMahon chose Southend YMCA as her charity. In her inaugural speech she stated Southend YMCA: *'Stand alongside children and young people...help them to dream their dreams and enable them to walk into their destiny...they innovate, they create opportunities that challenge and enhance and build up'*. This patronage has further raised the profile of our work and attracted new supporters and Trustees which will in turn enhance our capacity and capability.

The Southend YMCA Community School opened in 2013. It has continued to build a good reputation for delivering alternative education within the community and educational sector (locally and nationally). The school has increased the life chances of very vulnerable learners through a holistic curriculum focusing on personal and social development and academic achievement: 89% of pupils gained GCSE's, 65% a GCSE result for English and Maths and 35% achieved 5 GCSE's.

So what are our future plans?

Together the charity and school provide a range of safe and effective services to vulnerable children, young people, their families and the wider communities within Southend and Essex.

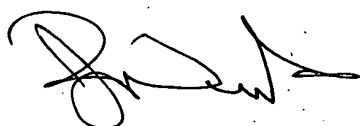
The school educates pupils aged 14-16 who are at key stage 4 (GCSE). The continuous improvement aims for 2017-18 are to expand the curriculum to an 8 GCSE programme and support the professional development of the staff team.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**CHAIR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The main aspirations of the charity for 2017-18 are to: establish a Children's Home for young people aged 13-16 with emotional and behavioral difficulties in order to meet local need, and to develop further move on accommodation for young people. Together these initiatives will enhance the housing and support pathway in Southend and bring together the charity's proven range of capabilities: housing, recreation and education.

We will re-position projects which approach the end of their grant life. A commitment to research and evidence based practice will continue to underpin the services we design and provide.

A handwritten signature in black ink, appearing to read 'Ron Wright', is positioned above the printed name.

Ron Wright Chair of Trustees

SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees are pleased to present their annual report together with the consolidated financial statements for the year ending 31st August 2017, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Southend YMCA (the group) comprises Southend-On-Sea Young Men's Christian Association (the Charity) and its subsidiary South Essex Community School Ltd trading as Southend YMCA Community School.

On 13th July 2017, the Charity became a non-profit private registered provider of social housing. 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 2015. Applicable UK accounting standards have been followed including the Statement of recommended practice (SORP) Accounting by Registered Social Housing Providers Update 2014.

OBJECTIVES AND ACTIVITIES

In June 2017, the charity adopted new Memorandum and Articles of Association to expressly allow for the provision of social housing. These conform to the YMCA England Model Memorandum and Articles where members and Trustees are the same person. The size of the Board is limited to 10 persons.

There are five charitable objects, with minor variations on longstanding themes: the provision of education; the provision of recreation/ leisure; the provision of accommodation including social housing; the relief of need, hardship or distress by reason of social, physical, emotional, spiritual or economic circumstances and the promotion of a Christian environment. These are detailed in full at section 3.

In shaping the group's goals for the year and planning activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: Running a Charity' (PB2). There is a clear read across from the charity's legal purpose (objects) to our strategic goals and activities as set out within the 'Standing in the Gap' strategy (refreshed for 2016-18). The goals are:

- To provide **good quality education, training, and mentoring** so young people acquire the knowledge, skills and experiences which helps them to journey towards employment and inclusion.
- To provide **safe, supported and affordable accommodation** to avert homelessness and promote independent living.
- To provide **positive (recreational) activities**, which inspire young people furthering their personal, social, cultural and moral development and social action.
- To promote **the health and wellbeing** of individuals and communities.

Our overarching strategic aim is to remain '*an innovative, resilient and sustainable young people's charity delivering social value*'. This will be assured because all business decisions are informed by considerations of viability and sustainability and rely on robust business planning.

A significant positive factor that has affected the achievement of charitable objectives, strategic goals and the delivery of activities is securing funding. The importance of delivering competitive, innovative, high quality services is paramount when bidding for grants and contracts.

SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES (continued)

In 2016-17, the Charity was successful in securing a grant from Youth Music to support the music studio for the next three years, a contract to house young asylum seekers, continuation funding for the Glow project and a grant and social investment to allow for the purchase of the Newlands social asset (completed in November 2017).

The Southend YMCA Community School is part of the Southend YMCA group. It is an exempt charity (which reports to the DfE) and an Academy trust with a single charitable objective:

'To provide education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them'

The school educates pupils aged 14-16 who are at key stage 4 (GCSE). A review of the Deed of Agreement and Memorandum and Articles of Association is in process.

ACHIEVEMENTS AND PERFORMANCE

Southend YMCA's services benefit a **subsection of the public** i.e. children and young people with additional and complex needs. This includes: children and young people who are not in employment or education; who have mental health problems and low self-esteem; who exhibit risk taking behaviours including substance misuse and offending; who come from families with multiple vulnerabilities or are in care, who live in poverty or are homeless. The charity also provides information and advice to persons of all ages.

Trustees assure themselves that all activities will deliver **public benefit** through rigorous scrutiny of plans and performance. Achievements are measured through a suite of Key Performance Indicators (KPIs) and outcomes which are relevant to the specific project for example housing may measure voids and occupancy rates, whereas education will measure qualifications gained... both of which are externally benchmarked to set results in a wider context.

The group reports to regulatory bodies (Ofsted and the HCA) and is inspected by auditors and funders. The following quality standards and awards are in place: Matrix, Investors in People (IIP), Supporting People (QAF level A) and the Queens Award for Voluntary Service (the MBE for voluntary groups).

In 2016-17 the group worked directly with 2,246 people. The main activities and benefits are detailed below.

Education training and mentoring comprised of:

- **Glow**- a Coaching and Mentoring Project funded by Essex County Council, as part of its Early Help Initiative. The main target group for the project is 8 to 19 year olds with low level tier two needs including but not limited to: Bullying, Self-Esteem, Bereavement, Social Isolation, Anxiety and Transitional Anxiety. The duration of an intervention is up to 12 weeks and should result in a positive progression. The Outcome Star tool is used to track progress. Results show a statistically relevant improvement in wellbeing across life domains. Qualitative feedback from parents, carers and associated professionals attests to improved familial relationships and school engagement. In total the project delivered over 4,100 hours of support, worked with 114 children and young people, with the majority of referrals from junior and secondary schools.

SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE (continued)

- **Talent Match** – A mentoring Programme funded by the BIG lottery. The main target group for the project is young people aged 18-24 who have been unemployed for 1+ year/s. The social exclusion they experience may be compounded by mental health problems, learning disability, social agoraphobia, substance misuse and previous offending behaviours. In 2016-17, the project worked with 130 young people providing: intensive personal and social development, and information, advice and guidance to assist young people re- enter education, volunteering, work placements and employment. 20% of young people commenced full time following unemployment for more than 12 months.
- The **Southend YMCA Community School** provided an alternative, holistic education to 50 young people with social, emotional and behavioural needs. Statistics show that nationally pupils at the end of key stage 4 in alternative provision including pupil referral units achieve lower than their peers within the mainstream school settings. Pupils at Southend YMCA Community School achieve higher than their peers in alternative provision. 2016/17 GCSE results evidence 89% of pupils gaining GCSE qualifications, 65% gaining a GCSE result for both Maths and English and 35% achieved 5 GCSE's.

Housing comprised of:

- **Social Housing** at Newlands – During the period 2016-17, Southend YMCA provided Housing Management services on behalf of YMCA England (a Registered Provider) at the Newlands hostel. This comprises: 33 units of social housing accommodation (30 self-contained studio flats and a shared 3 bedroom flat). In total, 43 young people (primarily aged 17-21) were accommodated including young care leavers and those subject to the Southwark Judgement. Notable achievements included Housing Management performance with KPIs ranging between 95 to 100%. During the period 10 people moved on into independent accommodation. Exit interviews and 'Outcomes Star' assessment tools demonstrated learning across life skills areas, confidence in maintaining a tenancy and positive re-connections with kinship networks (as appropriate).
- **Community housing** – We provide two community properties offering affordable, move on housing, one of which is a dedicated unit for young asylum seekers supported by social care. This service orientates up to 8 young people to an affordable, shared, community space where young people learn to live with others negotiating household rules, tasks and responsibilities.

Positive activity comprised of:

- **Youth Space** – in the period under review the project worked with over 168 young people offering holistic information advice and guidance (IAG) peer mentoring, short qualifications (levels 1-3) and a wide variety of youth led projects. As a result of the project 94% of participants reported accessing meaningful IAG, 91% increased planning and communication skills, 90% had increased awareness of community resources and how to access them 82% reported decreased isolation and an enhanced ability to set goals 81% and make safe choices.
- **Team YP and START** – Resilience building personal and social development programmes using a multi activity approach to improve mental and physical wellbeing and embed the soft skills which underpin success in education and life. Team YP was funded by Children in Need benefiting 24 young people per year (aged 11-15). Start is a comparable programme provided for 24 'Looked After' children aged (11-15). We also offer 1-2-1 mentoring to a further 20.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE (continued)

- The **Southend YMCA Music Studio** and the '**All in Music**' project provided music making opportunities (singing, instrumental development, ensemble, and recording) for c: 60 young people at risk and living in poverty (aged 11 to 25). During the year we upgraded elements of the recording studio to ensure that children and young people have access to contemporary and relevant learning resources. Young peoples' artistic, cultural and self-expression was developed as evidenced through monitoring and evaluation (Youth Music scales) A programme of external performances and events engaged a range of audiences across various venues.

Health and wellbeing comprised of:

- **SOS Bus** – the SOS Bus provided a triage/open access service offering: first aid; information, advice and guidance; and a place of safety for vulnerable persons of all ages using the night time economy. In Basildon volunteers provided over 16,200 hours of support during the year and worked with 900 people, averting the need for emergency services and A and E attendance. The bus also supported 18 large scale community events in Southend such as the carnival and village green with audiences of up to 18,000 and provided a night time economy service in Southend until June 2017 for 705 clients.

In summary the **outcomes (benefits)** for children and young people are captured through a range of qualitative and quantitative monitoring and evaluation tools and **include:** Improved motivation and emotional wellbeing; improved literacy, numeracy, and soft skills; better self-care; improved relationships ; reduced alcohol and drug abuse; better physical health; decrease in risk taking behaviour; progression into and retention within education or training (qualifications and awards); new employment opportunities and reduced benefit dependency; increase in ability to live independently, and connection to the community through active citizenship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Southend YMCA is an **Incorporated Charity** (limited by guarantee) which obtained its charitable status in April 2004. It is affiliated to YMCA England and Wales. This relationship does not impact on the operating Policies adopted by the charity.

Southend YMCA is part of the worldwide movement of YMCA's - the world's oldest voluntary organisation. YMCA's work in 125 countries and are united by a common purpose: working towards social justice and peace for young people and their communities regardless of religion, race, gender or culture.

The full charitable objects of Southend YMCA are:

- *To advance the Christian faith , including by:*
 - a. *Promoting a Christian environment inspired and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of none can work together for the transformation of communities; and*
 - b. *Enabling people of all ages and in particular young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ.*
- *To provide or assist in the provision in the interests if social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life.*
- *To provide or assist if the provision of education for people of all ages and in particular young people, with the object of developing their physical, mental or spiritual capacities.*

SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- *To relieve or assist in the relief of people of all ages and in particular young people, who are in conditions of need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstances.*
- *To provide residential accommodation, including social housing, for people of all ages and in particular young people, who are in need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstance.*

In order to provide an alternative provision free school the charity set up South Essex Community School Limited (trading as Southend YMCA Community School). This is an exempt charity and ring fenced entity which reports to the Secretary of State through the DfE. The relationship between the school and the charity is governed through the Memorandum of Association and by a Deed of Agreement.

Whilst Southend YMCA's beneficial area is not limited we operate as a local charity - in 2016-17 the charity delivered services in the Unitary Borough of Southend on Sea, and Thurrock and Essex (Rochford, Rayleigh, Castle Point, Basildon, Brentwood, Colchester, and Tendering).

As demonstrated via registration with the HCA (in July 2017) the charity was fully compliant with all HCA standards. As required by the HCA Accounts Direction Trustees warrant their compliance with the HCA 2015 Governance and Financial Viability Standard and commit to an at least annual self- assessment including the Code of Practice.

The Board of Southend YMCA is committed to delivering best practice in all aspects of governance. The Board adopted the NCVO governance code 'Good Governance a Code for the Voluntary and Community Sector' and undertakes an annual assessment of performance against the code to drive continuous improvement. In September 2017, following HCA registration, the Board adopted the successor to this code 'Charity Governance Code for Larger Charities'.

The skills audit in 2015-16 informed a targeted skills based approach to Board recruitment. Consequently, in 2016-17, the Board was strengthened with the addition of Trustees who have accountancy, finance and legal (tenancy law) backgrounds. Two associates will join in 2018 with experience of commissioning children's services and politics, policy and networking.

The Board may comprise of not less than 2 and up to 10 members. The Board conducts its business through Board meetings and a number of sub committees which are: Finance and Risk, Housing and Facilities and Service Development. Each committee has Terms of Reference and is led by a Trustee (Chair) from a relevant background.

It is the Board's responsibility to bring independent judgement on matters of strategy, performance, resources and conduct. The Board is able to take professional advice in the furtherance of its duties. During 2016/17, before committing into a loan with CAF bank in the next financial year, 2017/18, the trustees took independent advice to comply with Charity Act requirements.

All Trustees are required to make a formal declaration of any interests at each meeting and sign a register of Interests. No Trustees receive remuneration or other benefit from their work with the charity. The pay of senior staff (and all staff) is reviewed annually in line with the pay policy. Southend YMCA pays a fixed rate salary, there is no incremental scale. Trustees may at their discretion award cost of living.

SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Three Trustees resigned during the year, two were also Governors of the Southend YMCA Community School.

The Board is ultimately responsible for the charity's system of internal control and for reviewing its effectiveness. Key internal assurance controls include:

- Board approved terms of reference, inter-group Deed of Agreement, delegated authorities schedule.
- Risk and liabilities registers and disaster scenario planning.
- Strategic and business planning processes with detailed budgets and forecasts.
- Formal recruitment, retention and training and development policies for staff.
- Options appraisals and procurement of professional technical advice when embarking on major new projects - to meet legislation and regulation.
- Operational policies, procedures and systems.
- Scrutiny of all new initiatives and major commitments.
- Audit
- Keeping proper accounting records, which disclose with reasonable accuracy, at any time the financial position.
- Regular reporting by the Senior Management Team to the Board and its committees on the performance of services in relation to contracts.

The Board recognises that any control system can only manage and not eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance against any material misstatement or loss.

FINANCIAL REVIEW

Principle sources of funding

The principle sources of funding in 2016-17 were grant income, contract income, rental income and donations. Further details are outlined in note 2. The highest area of expenditure was staff costs.

The total reserves held by the group is £3,276,791. This comprised restricted reserves of £2,879,200 being the value of fixed assets, current assets and long term liabilities.

The reserves held by the main charity totalled £923,973, this was made up of fixed assets of £982,875 including the Eco Hub building and move on accommodation, and cash of £395,037. Before depreciation the charity made a surplus; however, after depreciation of £33,423, a year end deficit of £524 was achieved.

The funds held by our subsidiary South Essex Community Schools Limited are restricted to the provision of full or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not receive a suitable education unless alternative provision is made for them. At the year end the school made a deficit of £31,378, had net assets of £2,352,818 of which £4,531 is unrestricted. The school had fixed assets of £2,024,932 - this is mainly the school building which is subject to a covenant and is held in trust for the DFE, and cash of £463,344.

SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW

Prudent management by the charity has ensured prompt payment from funders (particularly Local Authorities) easing cash flow. Grant support has brought in external consultancy aiding business development whilst preserving reserves.

Housing properties

As at 31 August 2017 the charity owned 2 properties (8 units). It managed a 33 bed unit which it subsequently purchased.

Pension costs

The charity is a member of a closed YMCA pension scheme which has a deficit. This scheme was closed to new members on 30 April 2007.

The charity now operates a defined contribution scheme, the assets of which are held separately from the charity.

The employees of the South Essex Community College Limited belong to two principle pension schemes: the Teachers' Pension Scheme for England and Wales for academic and related staff; and the Local Government Pension Scheme for non-teaching staff, which is managed by Essex County Council. Both are Multi-employer defined-benefit schemes.

Further detail is produced in note 15 to these financial statements.

Principal risks and uncertainties

The main risks that may prevent the charity from achieving its objectives are reviewed by the Board through the bi-monthly Finance and Risk Committee. The Board maintains a Risk Register which includes an outline of key risks and mitigating actions. The risk policy and register are formally reviewed and updated by the Board. Key risks for 2016-17 included:

- Failure to achieve objectives in the Business plan – specifically to obtain registration as a private registered provider of social housing with the HCA due to change in Government Policy around social housing. This would have frustrated the ability to buy the Newlands building. This risk has not materialised.
- Failure to consider the impact of the external environment and operating context. Government funding cuts, welfare benefit reforms and oscillating housing rent policy creates uncertainty. Extensive stress testing has calculated the financial impact of various potential deleterious scenarios – mitigating plans have been put in place by the Board.
- Failure to commence intended capital development - the timeframe to achieve registration negatively impacted the opportunity to draw down a 'Platform for Life' Capital Grant of £140,000. This would have been used to remodel a shop into affordable accommodation. Trustees are considering the future social and financial return on non – housing assets.

The risk register also identifies failed fund raising and funding applications; increase in pension deficit and loss of experienced staff as key risk areas. Mitigating actions planned for 2017-18 include increased investment in research and service design; a review of pension liability management strategies with other pension members and a refreshed HR strategy to ensure the right staff are in place.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW (continued)

Reserve's Policy

Trustees of the charity have established a Reserves Policy whereby the balance of funds should be 3 - 6 months of the resources expended. This equates from £285,000 to £570,000 for the main charity. The School also has a reserves policy which is to maintain a level of reserves that is sufficient to meet its future obligations.

The cash balance for the group at year end was £858,381 so is within target. Trustees accept that the level of cash funds is acceptable due to the amount of fixed assets which can provide security for increase working capital or be liquidated in the event of having to wind up the charity. The net book value of fixed assets amount to £3,007,807.

Going concern

Due to the above levels of reserves the Trustees believe that they would be able to carry on the group's day to day activities in the event of a significant drop in funding whilst considering how funding would be replaced.

Long term business plans and complex financial modelling was completed as part of the HCA registration process, demonstrating under various stress tests that the groups operations and future plans are financially viable.

On this basis, the board of trustees has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date that the financial statements are signed. For this reason it continues to adopt the going concern basis.

Investment Policy

Aside from retaining a prudent amount in reserves most of the charity's funds are to be spent in the short to medium term on charitable services for beneficiaries.

Previous capital investment in affordable housing secures a long term return (mission and rental income). This is more favourable than a deposit account where the return is disappointing. The charity is intending to borrow to acquire the Newlands asset. This will lead to a long term mortgage over a 25 year period.

The charity will also continue to invest in innovation... to develop the next generation of services to meet the needs of young people. Trustees have resolved to establish a research and development unit and appoint a Business development Manager in 2018.

Value for Money (VFM)

The Board is committed to achieving value for money when delivering its purpose and objectives, in accordance with its Business Plan, VFM Strategy and the HCA Value for Money standard.

VFM is understood as the relationship between efficiency, effectiveness and economy:

- Efficiency = the relationship between outputs and the resources to produce them.
- Effectiveness = the relationship between intended and actual results.
- Economy = minimising costs, spending less.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW (continued)

VFM gains in 2016-17 included:

Effective management of the Newlands social housing asset resulted in rent maximisation with occupancy rates of 100%. Housing Management KPIs demonstrate rent arrears and bad debts are kept below targets averting the costs of recovery proceedings.

The efficient response to emergency and day to day repairs ensured that all works were completed to standards, averted voids and achieved 100% tenant satisfaction.

In terms of achieving economy, a funding competition was planned with social investors to identify the most advantageous finance offer for the Newlands purchase. Subsequent to the year end this has minimised mortgage costs into the medium term for the Newlands property. Since reconfiguring the London Road property for asylum seekers rental voids and associated costs have been averted.

The Board will maintain a strategic focus on VFM through our governance and business planning cycle. In 2017-18, we will further scrutinise what it costs to deliver one service relative to another with reference to social outcomes and external benchmarking (Acuity and other metrics). We will focus on cost drivers especially overheads all with the aim of making informed investment decisions and service improvements.

REFERENCE AND ADMINISTRATION DETAILS

The Company is registered under the Companies Act and is a registered charity.

Charity number: 1102836

Company number: 05051166

The Company is a non-profit private registered provider of social housing. Registration no: 4853.

Registered office: 85 Ambleside Drive, Southend on Sea, SS1 2FY.

Auditors: Stephenson Smart & Co, 36 Tyndall Court, Commerce Road, Lynch Wood, Peterborough, PE2 6LR.

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees

Rev. Simon Roscoe (appointed 01.09.2015)

Sally Carr (appointed 27.01.2015)

Simon Ling-Locke (appointed 29.01.2011)

Ron Wright (appointed 20.02.2004)

Stephen Phillip Onslow (appointed on 05.05.2017)

Kerry Bland (appointed on 29.04.2017)

James Brooks (appointed on 06.06.2017)

Trustees resigning during the period were:

John Rood (28.04.17), Gill Whiteley (06.07.2017), Caraline Johnson (23.08.2017)

Board Associates who have been appointed as trustees after the year end were:

Julie Cushion (02.01.18) and Ross Gerrie (03.01.18)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

REFERENCE AND ADMINISTRATION DETAILS (continued)

The Key Management Personnel were:

Syrie Cox – Chief Executive Officer Southend YMCA
Louise Duff – Chief Finance Officer Southend YMCA
John Levy – Housing and Facilities Manager
Andrew Snell – HR Officer
Sacha Edwards - Positive Activity Manager
John Bastin – Community Health and Wellbeing Manager
Paul Scott – Economic Inclusion Officer

Our advisers

Bankers: Barclays Bank, 127 High St, Southend-on-Sea SS1 1LH.
Solicitors: Paul Robinson, the Old Bank, 470-474 London Road, Westcliff, Essex SS0 9LD.
HR advisers: HR Initiatives, the Lexus Building Broadway, Letchworth, Garden City, Hertfordshire, SG6 9BL.

Trustees responsibilities in relation to the financial statements

The charity Trustees (who are also the directors of Southend on Sea Young Men's Christian Association for the purposes of Company law) are responsible for preparing a Trustees annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting practice (United Kingdom Accounting Standards as reflected in FRS 102 and applicable laws.

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing the financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards and the Statement of Recommended practice (SORP) Accounting by Registered Social Housing Providers Update 2014 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**


**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

Statement of disclosures to our auditors

In so far as the Trustees are aware at the time of approving the annual report:

There is no relevant audit information of which the group's auditors are unaware, and; the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed by order of the Board of Trustees



.....
Ron Wright (chair)
23 February 2018

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2017**

We have audited the financial statements of Southend-On-Sea Young Men's Christian Association (Limited by guarantee) and its subsidiary for the year ended 31 August 2017 which comprise a Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 August 2017 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatement, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 to 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent charity or to cease operations, or to have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charity's trustees, as a body, in accordance with the Housing and Regeneration Act 2008. Our audit has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



Kerry Hilliard ACA FCCA CTA (Senior Statutory Auditor)
for and on behalf of Stephenson Smart & Co
Registered Auditor
36 Tyndall Court
Commerce Road
Lynchwood
Peterborough
PE2 6LR

Date: 26 February 2018

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

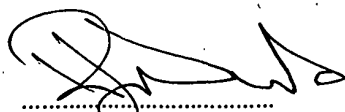
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Year ended 2017 £	Year ended 2016 £
Turnover	2	1,952,269	1,811,786
Operating expenditure			
Operating costs	2	(2,029,521)	(1,774,681)
Operating (deficit)/surplus		(77,252)	37,105
Gain/(loss) on disposal of property, plant and equipment		-	(11,792)
Interest receivable		350	233
(Deficit)/surplus before tax	2	(76,902)	25,546
Taxation		-	-
(Deficit)/surplus for the year		(76,902)	25,546
Actuarial gain/(loss) in respect of pension schemes		45,000	(8,000)
Total comprehensive income for the year		(31,902)	17,546

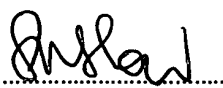
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

All of the above amounts relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 23 February 2018.



R Wright
Chairman



S Onslow
Director

Company Registration No. 05051166 (England and Wales)
Charity Registration No. 1102837
HCA No. 4853

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**GROUP AND CHARITY STATEMENT OF CHANGES IN RESERVES
AS AT 31 AUGUST 2017**

Group	Income and expenditure reserve £	Restricted reserve £	Restricted fixed asset reserve £	Total £
Balance as at 1 September 2015	361,957	829,502	2,099,688	3,291,147
Total comprehensive income for the year	17,546	-	-	17,546
Transfer of restricted expenditure from unrestricted reserve	11,825	14,316	(26,141)	-
Balance at 31 August 2016	391,328	843,818	2,073,547	3,308,693
Total comprehensive income for the year	(31,902)	-	-	(31,902)
Transfer of restricted expenditure from unrestricted reserve	38,165	14,799	(52,964)	-
Balance at 31 August 2017	397,591	858,617	2,020,583	3,276,791

Charity	Income and expenditure reserve £	Restricted reserve £	Restricted fixed asset reserve £	Total £
Balance as at 1 September 2015	359,449	592,417	-	951,866
Total comprehensive income for the year	(27,369)	-	-	(27,369)
Transfer of restricted expenditure from unrestricted reserve	56,863	(56,863)	-	-
Balance at 31 August 2016	388,943	535,554	-	924,497
Total comprehensive income for the year	(524)	-	-	(524)
Transfer of restricted expenditure from unrestricted reserve	4,641	(4,641)	-	-
Balance at 31 August 2017	393,060	530,913	-	923,973

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**


**GROUP AND CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017**

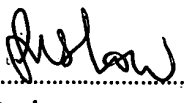
	Note	Group		Charity	
		31.8.2017	31.8.2016	31.8.2017	31.8.2016
		£	£	£	£
Fixed assets					
Tangible fixed assets - housing properties	8	387,517	393,652	387,517	393,652
Other tangible fixed assets	9	2,620,290	2,691,541	595,358	620,037
		3,007,807	3,085,193	982,875	1,013,689
Current assets					
Trade and other debtors	10	116,814	112,709	110,051	113,238
Cash at bank and in hand		858,381	742,248	395,037	342,926
		975,195	854,957	505,088	456,164
Creditors: amounts falling due within one year	11	(337,766)	(273,982)	(229,545)	(202,881)
Net current assets/(liabilities)		637,429	580,975	275,543	253,283
Total assets less current liabilities		3,645,236	3,666,168	1,258,418	1,266,972
Creditors: amounts falling due after one year	12	(334,445)	(342,475)	(334,445)	(342,475)
Provisions for liabilities					
Defined benefit pension scheme liability	15	(34,000)	(15,000)	-	-
TOTAL NET ASSETS		3,276,791	3,308,693	923,973	924,497
RESERVES					
Income and expenditure reserve		397,591	391,328	393,060	388,943
Restricted reserve	17	2,879,200	2,917,365	530,913	535,554
		3,276,791	3,308,693	923,973	924,497

The net movement in funds for the year for the charity only was net deficit of £524 (2016: £27,369). The charity's income was £1,192,570 (2016: £1,180,476) less expenditure of £1,193,094 (2016: £1,207,845) and actuarial losses of £nil (2016: £nil).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The accompanying notes form part of these financial statements.

The financial statements were issued and approved by the Board on 23 February 2018.


.....
R Wright
Chairman


.....
S Onslow
Director

Company Registration No. 05051166 (England and Wales)
Charity Registration No. 1102837
HCA No. 4853

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

		Group	
		31.8.2017	31.8.2016
	Note	£	£
Net cash generated from operating activities	20	138,880	210,501
Cash flows from investing activities			
Interest income		350	233
Purchase of tangible fixed assets		(23,097)	(43,707)
Proceeds from sale of tangible fixed assets		-	11,794
Net cash used in investing activities		(22,747)	(31,680)
Net change in cash and cash equivalents		116,133	178,821
Cash and cash equivalents at the beginning of the year		742,248	563,427
Cash and cash equivalents at the end of the year		858,381	742,248

SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION (LIMITED BY GUARANTEE) AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

LEGAL STATUS

Southend-on-Sea Young Men's Christian Association (the charity) is a private company limited by guarantee incorporated in England under the Companies Act 2006, registered with the Homes and Communities Agency as a private registered provider of social housing and is a registered charity. The registered office is 85 Ambleside Drive, Southend-on-Sea, Essex.

Southend-on-Sea Young Men's Christian Association has one subsidiary; South Essex Community School (Limited by Guarantee), registered under the Companies Act 2006 and an exempt charity (an Academy Trust) reporting to the Secretary of State.

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 and the Statement of Recommended Practice for registered housing providers: Housing SORP 2014.

The financial statements comply with the Companies Act 2006, the Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

The subsidiary undertaking is an Academy Trust. Consideration has also been given to the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017, where this is deemed appropriate in order to give a true and fair view.

The charity constitutes a Public Benefit Entity as defined by FRS 102.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102.

- the requirement to present a statement of cash flows and related notes;
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosure exemptions available in FRS 102;
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company because their remuneration is included in the totals for the group as a whole.

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the charity and its subsidiary South Essex Community School (Limited by Guarantee). The results of the subsidiary have been consolidated on a line-by-line basis for the year ended 31 August 2017. The South Essex Community School is a subsidiary of the main charity under section 1162 (2) (b) of the Companies Act 2006. The section defines "parent undertaking" and "subsidiary undertaking" for the purposes of the Companies Acts. An undertaking is a parent undertaking in relation to another undertaking, a subsidiary undertaking, if it is a member of the undertaking and has a right to appoint or remove a majority of its board of directors. The results of South Essex Community School are shown in note 19. In accordance with section 408 of the companies Act 2006, no individual financial statements have been prepared for the parent company.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.3 Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. As a result of this assessment, no significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

1.4 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The following judgements and experts have had the most significant effect on the amounts recognised in the financial statements:

Housing related support income

Management judgement is applied in determining the extent to which the risks and benefits are transferred to the charity when considering the income to be recognised.

Government and other grants taken to income

Where entitlement to income is subject to fulfilling performance related conditions, judgement is applied in some situations to determine the stage of completion and the related income to be recognised, rather than deferred.

Cost allocation

Judgement is required in determining and applying the basis of regulated social housing activity and activities other than social housing costs.

Categorisation of housing and other properties

The group has undertaken a detailed review of the intended use of all properties. In determining the intended use, the group has considered if the asset is held for social benefit or to earn commercial rentals.

Tangible fixed assets

Depreciation is charged on tangible fixed assets over their estimated useful lives, taking into account residual value if appropriate. The actual lives of the assets and their residual values are assessed annually and may vary depending on a number of assumptions.

Pension benefits

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

Present value of Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 Turnover

Turnover represents rental income and service charges receivable, programme activities income, donations and local authority and other revenue grants receivable. Rental income is recognised when the property is let, net of voids. Service charge income and costs are recognised on an accruals basis. Housing Related Support income is recognised as it falls due under the contractual arrangement with the administering authorities.

General Annual Grant relating to the academy trust is recognised in full in the Statement of Comprehensive Income in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants relating to the academy trust are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted reserves.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Comprehensive Income in the period in which it is receivable, where receipt is probable and it is measurable.

Housing Properties

Housing properties are those held for the provision of social housing or to otherwise provide social benefit. Housing properties are stated at cost less accumulated depreciation and impairment losses. The cost of properties is their purchase price together with incidental costs of acquisitions, improvements and revaluation.

Investment income

Investment income is accounted for on a receivable basis.

Government grants

Government grants include grants receivable from the HCA, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Other grants

Grants received from non-government sources, whether 'capital' or 'revenue' grants, are recognised using the performance method. If there are no specific performance requirements then the grants are recognised when receivable. Income received in advance of the performance conditions being met is deferred and included in creditors.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

Other income

Income from other activities includes income from fundraising events, hire of facilities, first aid training, bus hire and project match funding.

Income is receivable in exchange for goods and services and is recognised when entitlement has occurred.

1.6 Depreciation of housing properties

Major components of housing properties are identified and treated as separable assets and are depreciated on a straight line basis over their expected economic useful lives at the following rates:

Property structure	100 years
Roof	50 years
Windows and external doors	40 years
Kitchens	20 years
Bathrooms	30 years
Boilers	10 years

Freehold land is not depreciated.

Leasehold properties are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

1.7 Other tangible fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Statement of Financial Position at cost and depreciated over their expected useful economic life.

For assets held by the academy trust, where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset reserve in the Statement of Comprehensive Income and carried forward in the Statement of Financial Position. Depreciation on the relevant assets is charged directly to the restricted reserve in the Statement of Comprehensive Income. Where tangible fixed assets have been acquired with restricted funds, depreciation on such assets is charged to the Income and Expenditure Reserve.

This treatment has been applied to present a true and fair view in accordance with the Academies Accounts Direction 2016-17.

Depreciation has been provided at the following rates:

Freehold buildings	50 years straight line
Fixtures and fittings	20% / 25% reducing balance
Music, sports and office equipment	25% reducing balance
Computer equipment	3 years straight line
Motor vehicles	25% reducing balance
Kitchen extension	50 years straight line
Music room extension	6 years straight line

Other freehold land is not depreciated.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.8 Impairment

Housing properties

Reviews for impairment of housing properties are carried out when a trigger event has occurred and any impairment loss in a cash generating unit is recognised by a charge to the statement of comprehensive income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally an individual property level whose cash income can be separately identified.

Following a trigger event for impairment, an impairment test is performed based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties.

The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the charity as the existing property.

Other fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Taxation

The charity and its subsidiary undertaking are exempt from corporation tax on their charitable activities.

1.10 Reserves

Income and expenditure reserves

Income and expenditure reserves are incoming resources receivable or generated in furtherance of the general objectives of the group without specified purpose and are available as general reserves.

Restricted reserves

Restricted reserves represent income received where the funder or other source of the income have imposed restrictions as to how the reserves shall be used. The nature and purpose of restricted reserves is set out in the notes to the financial statements.

Restricted fixed asset reserves are resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.11 Pension costs and other post retirement benefits

The charity participates 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 the charity.

As described in note 15 the charity has a contractual obligation to make pension deficit payments of £7,152 per annum over the period to April 2027, accordingly this is shown as a liability in note 11 to these accounts. In addition, the charity is required to contribute £1,226 per annum to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

Retirement benefits to employees of the subsidiary are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the subsidiary.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the subsidiary in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 15, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the subsidiary in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the scheme instructions, benefit charges, settlements and curtailments. They are included as part of the staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of comprehensive income incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

For defined contribution pension schemes the amount charged to the Statement of Comprehensive Income is the contributions payable in the year.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring the surplus or deficit. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

1.13 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.

1.14 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

2. TURNOVER, EXPENDITURE, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT)

	2017 £	2016 £
Income from Social Housing Lettings *		
Rents receivable excluding service charges	162,531	156,028
Service charges receivable	169,334	161,364
Other social housing activities *	164,047	150,081
Total	495,912	467,473
Activities other than social housing		
Voluntary income	33,635	24,254
Activities for generating funds	112,664	108,321
Training	82,017	93,718
Community Impact	73,468	79,572
Positive Activities	189,273	216,903
Economic Inclusion	205,251	151,694
Interest received	350	233
	696,658	674,695
Total Charity Income	1,192,570	1,142,168
Educational operations (South Essex Community School Limited)		
DfE/ESFA grants	442,076	451,527
Other government grants	10,000	-
Other funding	296,296	192,732
Donations and capital grants	7,604	23,479
Catering	4,073	2,113
Total Income for Group	1,952,619	1,812,019

* The charity registered as a private registered provider of social housing with the Homes and Communities Agency on 13 July 2017. Income from social housing lettings and other social housing activities includes income receivable prior to the date of registration. (The Housing SORP 2014 disclosure has been applied throughout the current and comparative period for the benefit of transparency and comparatives.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

2. TURNOVER, EXPENDITURE, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT) (continued)

	Social housing activities £	Activities other than social housing £	2017 £	2016 £
Income	495,912	696,658	1,192,570	1,812,019
Operating expenditure	(471,305)	(1,558,216)	(2,029,521)	(1,786,473)
Operating surplus	24,607	(861,558)	(836,951)	25,546
Void losses			11,672	1,667

3. ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

At the end of the year accommodation in management for each class of accommodation was as follows:

	Group 2017 No of units £	2016 £	Charity 2017 No of units £	2016 £
Social housing				
General housing: - affordable rent	8	8	8	8
Supported housing	33	33	33	33
Total owned	41	41	41	41

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OPERATING SURPLUS

The operating surplus is arrived at after charging/(crediting):

	Group 2017	2016	Charity 2017	2016
	£	£	£	£
Depreciation on housing properties	6,135	8,201	6,135	8,201
Depreciation of other tangible fixed assets	94,348	95,476	27,288	30,551
Loss on disposal of other tangible fixed assets	-	(11,792)	-	(11,792)
Operating lease rentals: office equipment	4,873	12,343	3,813	11,283
Auditors' remuneration:				
Fees payable to the Charity's auditors:				
for the audit of the financial statements	9,000	8,700	9,000	8,700
for other services	8,940	3,900	8,940	3,900
Audit of the accounts of subsidiaries	6,200	6,100	-	-
Total audit services	24,140	18,700	17,940	12,600

5. INTEREST RECEIVABLE

	2017 £	2016 £
Interest received	350	233
	350	233

6. TRUSTEES REMUNERATION, BENEFITS AND EXPENSES

During the period one trustee was reimbursed expenses totalling £nil (2016: £528).

The principal of South Essex Community School Limited receives remuneration in respect of services they provide undertaking the roles of head teacher under their contracts of employment, and not in respect of their services as a trustee. The CEO of Southend YMCA receives remuneration in respect of services they provide undertaking the role of CEO under their contract of employment, and not in respect of their services as a trustee of the school. No other trustees received remuneration from Southend YMCA.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

7. STAFF COSTS

	2017 £	2016 £
Wages and salaries	1,019,258	975,068
Social security costs	86,445	80,323
Other pension costs	119,318	47,109
	<u>1,225,021</u>	<u>1,102,500</u>

In addition to the above, contributions to the operating expenses of the YMCA Pension Plan of £1,169 were made (2016: £1,128).

The average monthly number of employees expressed as full time equivalents during the year was as follows:

	2017	2016
Housing and support	5	5
Training	2	2
Community impact	2	2
Positive activities	5	5
Economic inclusion	6	4
Management and administration	4	4
South Essex Community School	17	11
	<u>41</u>	<u>33</u>

The full time equivalent number of employees receiving annual remuneration excluding employers pension contributions in excess of £60,000 are:

£60,001 to £70,000	-	1
£70,001 to £80,000	1	-

The emoluments of the highest paid director, the chief executive was as follows, excluding employer pension contributions.

	2017 £	2016 £
Salary (including employers national insurance)	64,110	63,467
Payment in lieu of annual leave (including employers national insurance)	9,160	-
	<u>73,270</u>	<u>63,467</u>

The total remuneration of key management personnel including any employer pension contributions was £478,243 (2016: £484,754).

The chief executive is a member of the multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales. She is an ordinary member of the pension scheme and no enhanced or special terms apply. The charity does not make any further contribution to an individual pension arrangement for the chief executive.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

Group and charity

COST

At 1 September 2016

Additions

Disposals

At 31 August 2017

DEPRECIATION

At 1 September 2016

Charge

Disposals

At 31 August 2017

NET BOOK VALUE

At 31 August 2017

At 31 August 2016

	Social housing properties £	Total housing properties £
At 1 September 2016	410,055	410,055
Additions	-	-
Disposals	-	-
At 31 August 2017	410,055	410,055
At 1 September 2016	16,403	16,403
Charge	6,135	6,135
Disposals	-	-
At 31 August 2017	22,538	22,538
At 31 August 2017	387,517	387,517
At 31 August 2016	393,652	393,652

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

9. TANGIBLE FIXED ASSETS - OTHER

<u>Group</u>	Land and buildings £	Academy Trust Land and Buildings £	Music, Sports & Office Equipment £	Fixtures, Fittings and Computer £	Motor Vehicles £	Total Fixed Assets £
COST						
At 1 September 2016	626,839	2,090,433	80,165	321,894	135,991	3,255,322
Additions	-	4,350	2,609	16,138	-	23,097
Disposals	-	-	(264)	(400)	-	(664)
At 31 August 2017	626,839	2,094,783	82,510	337,632	135,991	3,277,755
DEPRECIATION						
At 1 September 2016	74,760	68,268	73,795	226,927	120,031	563,781
Charge	11,107	34,396	2,244	42,612	3,989	94,348
Disposals	-	-	(264)	(400)	-	(664)
At 31 August 2017	85,867	102,664	75,775	269,139	124,020	657,465
NET BOOK VALUE						
At 31 August 2017	540,972	1,992,119	6,735	68,493	11,971	2,620,290
At 31 August 2016	552,079	2,022,165	6,370	94,967	15,960	2,691,541

The Secretary of State for Education holds a legal charge over the school site. At 31 August 2017 the net book value of the school site included within freehold land and buildings was £1,992,119 (2016: £2,022,165).

<u>Charity</u>	Land and buildings £	Academy Trust Land and Buildings £	Music, Sports & Office Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total Fixed Assets £
COST						
At 1 September 2016	626,839	-	80,165	209,041	135,991	1,052,036
Additions	-	-	2,609	-	-	2,609
Disposals	-	-	(264)	(400)	-	(664)
At 31 August 2017	626,839	-	82,510	208,641	135,991	1,053,981
DEPRECIATION						
At 1 September 2016	74,760	-	73,795	163,413	120,031	431,999
Charge	11,107	-	2,244	9,948	3,989	27,288
Disposals	-	-	(264)	(400)	-	(664)
At 31 August 2017	85,867	-	75,775	172,961	124,020	458,623
NET BOOK VALUE						
At 31 August 2017	540,972	-	6,735	35,680	11,971	595,358
At 31 August 2016	552,079	-	6,370	45,628	15,960	620,037

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

10. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2017 £	2016 £
Rent and service charges receivable	10,221	10,922
Less provision for bad debts	(1,003)	(1,003)
Other debtors	68,903	74,006
Prepayments and accrued income	38,693	28,784
	116,814	112,709

Charity	2017 £	2016 £
Rent and service charges receivable	10,221	10,922
Less provision for bad debts	(1,003)	(1,003)
Other debtors	64,291	72,257
Amounts due from subsidiary and associated undertakings	8,470	7,504
Prepayments and accrued income	28,072	23,558
	110,051	113,238

11. CREDITORS - AMOUNTS DUE FALLING WITHIN ONE YEAR

Group	2017 £	2016 £
Trade creditors	64,021	61,930
Rent and service charges received in advance	4,674	1,581
YMCA pension deficit agreement plan	5,191	4,835
Deferred capital grant (note 13)	2,838	2,838
Other taxation and social security	13,500	13,420
Other creditors	76,074	83,268
Accruals and deferred income	171,468	106,110
	337,766	273,982

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

11. CREDITORS - AMOUNTS DUE FALLING WITHIN ONE YEAR (continued)

Charity	2017 £	2016 £
Trade creditors	64,021	52,875
Rent and service charges received in advance	4,674	1,581
YMCA pension deficit agreement plan	5,191	4,835
Deferred capital grant (note 13)	2,838	2,838
Other taxation and social security	13,500	13,420
Other creditors	23,303	38,197
Accruals and deferred income	116,018	89,135
	<u>229,545</u>	<u>202,881</u>

Group accruals and deferred income includes the following deferred income:

Group and Charity	2017 £	2016 £
Basildon District Council	3,333	3,750
Big Lottery	-	3,751
Big Potential	-	8,215
Community Commissioning	1,667	1,667
Essex Community	1,667	6,238
Heartbeat	3,000	-
Princes Trust	7,851	16,316
Start to Glow	8,750	-
Southend Borough Council	17,525	6,585
Supporting People	11,219	16,070
Youth Awards	1,891	-
Youth Music	28,405	-
Other	5,758	1,119
	<u>91,066</u>	<u>63,711</u>

12. CREDITORS - AMOUNTS DUE FALLING AFTER ONE YEAR

Group and Charity	2017 £	2016 £
YMCA pension deficit agreement plan	62,554	67,746
Deferred capital grant (note 13)	271,891	274,729
	<u>334,445</u>	<u>342,475</u>

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

13. DEFERRED CAPITAL GRANT

	2017 £	2016 £
Group and Charity		
At 1 September 2016	277,567	280,405
Released to income in the year	(2,838)	(2,838)
At 31 August 2017	274,729	277,567

14. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases for each of the following periods is as follows:

	2017 £	2016 £
Group		
Within one year	4,873	3,194
Between one and five years	10,783	8,523
	15,656	11,717

	2017 £	2016 £
Charity		
Within one year	3,813	2,134
Between one and five years	9,723	6,403
	13,536	8,537

15. PENSION AND SIMILAR OBLIGATIONS

YMCA Pension Plan

The charity participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of The Southend-on-Sea Young Men's Christian Association and at the year end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2014. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 5.35% and 3.85% respectively, the increase in pensions in payment of 3.3%, and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.6 years, female 24.6 years, and 24.8 years for a male pensioner, female 26.9 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £90.8m. This represented 70% of the benefits that had accrued to members.

The 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.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

15. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The valuation prepared as at 1 May 2014 showed that the YMCA Pension Plan had a deficit of £38.7 million. The charity has been advised that it will need to make monthly contributions of £595 from 1 May 2017. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 12 years commencing 1 May 2015.

Repayable

	Within one year £	One to two years £	Two to five years £	After five years £	More than one year £	Total 2017 £	Total 2016 £
As at 31 August 2017	5,191	5,563	19,105	37,886	62,554	67,745	
As at 31 August 2016	4,835	5,191	12,578	49,977	67,746		72,581

In addition, the charity 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 the charity may be called upon to pay in the future.

Charity defined contribution scheme

The charity also operates a defined contribution scheme, the assets of which are held separately from those of the charity. The charge for the period to the income and expenditure account in relation to this scheme is £11,995 (2016: £13,166). Contributions for employees were a minimum of 5% of salary and the employer contributions were 5%.

Other multi-employer defined-benefit schemes

The employees of the South Essex Community College Limited belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016. The pension costs payable to the TPS in the period amount to £37,406 (2016: £34,347).

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

15. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following the appointment or change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%)).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,000 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

15. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution for the year ended 31 August 2017 was £12,000 (2016: £7,000), of which employer's contributions totalled £9,000 (2016: £5,000) and employee's contributions totalled £3,000 (2016: £2,000). The agreed contribution rates for future years are 17.1% for employers and are a scale between 5.5% and 12.5% for employees. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Present value of funded obligations	(173,000)	(32,000)
Fair value of plan assets	139,000	17,000
	<u>(34,000)</u>	<u>(15,000)</u>
Deficit	<u>(34,000)</u>	<u>(15,000)</u>

The amounts recognised in the statement of financial activities are:

	Defined benefit pension plans	
	2017	2016
	£	£
Current service cost	25,000	10,000
Past service cost	47,000	-
Interest cost	1,000	-
	<u>73,000</u>	<u>10,000</u>
Actual return on plan assets	<u>24,000</u>	<u>2,000</u>

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

15. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Opening defined benefit obligation	(32,000)	(10,000)
Current service cost	(25,000)	(10,000)
Interest cost	(5,000)	-
Contributions by scheme participants	(3,000)	(2,000)
Actuarial losses/(gains)	21,000	(10,000)
Liabilities assumed/(extinguished) on settlements	(129,000)	-
Closing defined benefit obligation	<u>(173,000)</u>	<u>(32,000)</u>

Changes in the fair value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Opening fair value of scheme assets	(17,000)	(8,000)
Interest income	(4,000)	-
Contributions by employer	(9,000)	(5,000)
Contributions by scheme participants	(3,000)	(2,000)
Actuarial losses/(gains)	(24,000)	(2,000)
Settlement prices received/(paid)	(82,000)	-
Closing fair value of scheme assets	<u>(139,000)</u>	<u>(17,000)</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2017	2016
RPI increases	3.5%	3.2%
CPI increases	2.6%	2.3%
Future salary increases	4.1%	4.1%
Future pension increases	2.6%	2.3%
Discount rate	2.5%	2.2%

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

15. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August	
	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

The group's share of the assets and liabilities in the scheme and expected rate of returns were as follows:

	Fair value at 31 August	
	2017	2016
	£	£
Equities	91,000	10,000
Gilts	9,000	1,000
Corporate bonds	5,000	1,000
Property	13,000	2,000
Cash	4,000	1,000
Alternative assets	11,000	1,000
Other managed funds	6,000	1,000
Total market value of assets	139,000	17,000

The actual return on scheme assets was £24,000 (2016: £2,000).

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

16. CAPITAL COMMITMENTS

Group and charity	2017 £	2016 £
Capital expenditure		
Expenditure authorised but not provided in the accounts	1,300,000	-
	<u>1,300,000</u>	<u>-</u>

The above commitment relates to the purchase of the Newlands site as explained on page 11. The purchase was completed subsequent to the year end and financed by a grant for an amount of £585,000 and bank borrowings of £715,000.

17. MOVEMENT IN RESTRICTED RESERVES

	As at 01.09.2016 £	Movement in the year £	As at 31.08.2017 £
Residents fund	3,199	6,801	10,000
SOS Bus - Southend & Basildon	4,245	(4,245)	-
Glow	2,781	(2,781)	-
Eco Hub Fund	495,589	-	495,589
Y exchange	3,172	1,251	4,423
YMCA - TYP	6,213	1,645	7,858
Talent Match South East	6,818	(6,818)	-
Music grants	6,658	3,281	9,939
Big Potential	1,046	(1,046)	-
Youthspace	5,833	(2,729)	3,104
South Essex Community School:			
Commissioning Fund	313,529	34,747	348,276
Pupil Premium	9,735	(6,307)	3,428
Other grants	-	10,000	10,000
Pension	(15,000)	(19,000)	(34,000)
Restricted fixed assets funds	2,073,547	(52,964)	2,020,583
Total Restricted Reserves	2,917,365	(38,165)	2,879,200

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

17. MOVEMENT IN RESTRICTED RESERVES (continued)

Restricted Funds

These funds represent the accumulated surpluses from funds available for a specific purpose:

Residents' Fund

Contributed to by various sources for the provision of immediate temporary relief to young people in crisis situations.

SOS Bus

Contributed to by various sources for the provision of an emergency late night facility for vulnerable people.

Glow

Funded by Essex County Council to provide coaching and mentoring services to young people.

Eco Hub

Funded by European Regional Development Fund through EEDA & EPP for the refit and development of a dilapidated building, transforming it into a fit for purpose multi-use Eco Hub.

Y exchange

Recreational project supporting young people to become independent through a range of skills and make a positive contribution to the community.

YMCA - Team YP

Funded from various streams to offer a resilience programme. (including Children in Need, sported, Inclusive Sport)

Talent Match South East

Funded by Big Lottery and Prince's Trust on a five year budget to provide mentoring for young people enabling their journey into employment.

YMCA - Music

Funded from various streams to offer a music programme to aid learning and skills. (including Youth Music)

Big Potential

Funded by Big Potential for Southend YMCA to work with consultants in securing capital funding.

The Big Lottery - Reaching Communities

Four year project from December 2015. Funding to enable young volunteers to devise and implement intergenerational and campaign type events benefiting their communities.

18. CONTROL

There is no ultimate controlling party.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

19. PARTICULARS OF SUBSIDIARY

The charity is a member of South Essex Community School (Limited by Guarantee) and has the right to appoint or remove a majority of its board members. South Essex Community School (Limited by Guarantee) therefore falls within the definition of a subsidiary found in section 1159(1)(b) of the Companies Act 2006.

The subsidiary's results as extracted from the statutory financial statements for the year ended 31 August 2017 are outlined below:

	2017 £	2016 £
Incoming resources from charitable activities - Educational operations	748,372	644,259
Incoming resources from charitable activities - Other income	11,677	25,592
Resources expended	(791,427)	(624,936)
	(31,378)	44,915

The aggregate of the assets, liabilities and reserves were:

	2017 £	2016 £
Fixed Assets	2,024,932	2,071,505
Current Assets	478,577	406,296
Current Liabilities	(150,691)	(93,605)
	2,352,818	2,384,196

20. RECONCILIATION OF NET MOVEMENT IN RESERVES TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2017 £	2016 £
(Deficit)/Surplus for the year	(31,902)	17,546
Depreciation of housing properties	6,135	10,299
Depreciation of other fixed assets	94,348	93,378
Interest received	(350)	(233)
Decrease (increase) in debtors	(4,105)	89,779
Increase (decrease) in creditors	74,754	(268)
Net cash generated from operating activities	138,880	210,501

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
(LIMITED BY GUARANTEE) AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

21. PRIOR PERIOD ADJUSTMENT

		Reserves as at 1 September 2015	Surplus/(Deficit) for the year ended 31 August 2016	Reserves as at 31 August 2016
	Note	£	£	£
As previously stated under former UK GAAP		3,571,552	14,708	3,586,260
Reclassification and amortisation of grants relating to housing properties	a	(280,405)	2,838	(277,567)
As stated in accordance with FRS 102		3,291,147	17,546	3,308,693

Explanation of changes to previously reported profit and equity:

- a Southend YMCA registered with the Homes and Communities Agency on 13 July 2017 as a private registered provider of social housing. These financial statements have been prepared to comply with the requirements of the Housing Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2015 and the Statement of Recommended Practice for Housing Providers: Housing SORP 2014. Government capital grants relating to housing properties previously accounted for under the performance model have been accounted for under the accruals model under the Housing SORP 2014. Under this model, grants have been allocated to the related assets and amortised over the useful economic life of those assets. The unamortised amount is held within deferred income, split between amounts due within 1 year and amounts due after 1 year.
- The effect at 1 September 2015 compared to accounting under the Charities SORP FRS 102 is to increase creditors due within 1 year by £2,838, increase creditors due after 1 year by £277,567 and decrease opening reserves by £280,405.

22. RELATED PARTY TRANSACTIONS

During the year, consultancy costs amounting to £21,172 (2016: £nil) were incurred from Cogent Ventures Limited, a company in which J Brooks is a director. Costs incurred were for consultancy fees in relation to the application to register with HCA. All costs from Cogent Ventures Limited were incurred prior to J Brooks being appointed as trustee on 6 June 2017.

During the year, legal fees amounting to £6,240 (2016: £nil) were incurred from Bates Wells Braithwaite LLP, a business in which C Johnson is an employee. Costs incurred were for fees in relation to the application to register with HCA.

All transactions were conducted under normal market conditions.

Southend YMCA is the parent entity in the group and ultimate controlling party. The group has taken advantage of the exemption available under Section 33 of FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

**SOUTHEND-ON-SEA YOUNG MEN'S CHRISTIAN ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

22. RELATED PARTY TRANSACTIONS (continued)

South Essex Community School

Owing to the nature of the school's operations and the composition of the school's board of trustees being drawn from public local and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the school's financial regulations and normal procurement procedures.

23. MEMBERS

The Board of trustees are the only members of the YMCA. The company is limited by guarantee, having no share capital and, in accordance with the Memorandum of Association; every member is liable to contribute a sum of £1 in the event of the company being wound up.