

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2016
FOR
NEWCASTLE UPON TYNE Y.M.C.A.**

Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

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FOR THE YEAR ENDED 31 MARCH 2016**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects as set in the Memorandum of Association are:

Newcastle upon Tyne Y.M.C.A has an organisational culture that is based on the Christian values of the YMCA Movement. It is an inclusive Movement open to all regardless of faith or culture.

Our Mission is "to provide unconditional support to young people" and we achieve this through the application of our values:

- **Equality:-** we treat everyone as equals, however, we work to reduce inequalities and allocate our resources depending on individual needs and circumstances.
- **Respect:-** we respect individuals for who they are regardless of their circumstances.
- **Tolerance:-** our culture is non-judgemental and tolerant of different lifestyles, values and beliefs.
- **Openness:-** our culture is transparent so that all our stakeholders can see the work we do.
- **Integrity:-** by acting in accordance with our organisational beliefs and values to do the right things, in the right way at the right time.
- **Sustainability:-** We strive for long term sustainability by governing the organisation to ensure its long term ability to meet the future needs of the young people of Newcastle upon Tyne.

Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The young people accessing our services benefit directly through the services and activities we provide. Through participation in our programmes and activities they develop the skills and confidence to be able to make positive choices and are able to improve their living standards, health and wellbeing. Working with our staff they are able to identify barriers to success and develop the skills and strategies to overcome them and progress into education, employment, volunteering or training. They are able to form better relationships with peers and families and work towards contributing to the local community in a positive way. This also benefits the local community, families and siblings alike.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During this reporting period we continued to provide our Youth Work services from our centres in Byker, Cowgate and Walker. We have moved our Youth Centre in the city centre to larger premises and incorporated an Education and Training centre within it. We have also continued to provide Education and Training services from our centre in Walker.

We have developed our over-16 Education and Training programmes focusing on accredited employability courses funded by contracts with local colleges.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

ACHIEVEMENT AND PERFORMANCE

The focus of our work

Our work remains focused on providing opportunities for young people in the most deprived communities of the City to develop themselves in mind, body and spirit and become independent and responsible members of the local community.

We continue to work with a wide range of organisations and agencies across all sectors to ensure the young people accessing our services get the most appropriate support to meet their individual circumstances. The Association's commitment to partnership working remains strong and we will continue to explore avenues for furthering this in the coming years.

In this reporting period we have provided:-

Youth Work

100,023 hours of support and development activities to 2,607 young people during 1,712 different activity sessions with a combined attendance of 20,254.

Education and Training

32,101 hours of education and training activities to 240 young people during 3,626 different activity sessions with a combined attendance of 5,970.

We have provided advice, guidance and support in the following areas:-

- Housing crisis support
- Tenancy support services and access to funding for household items
- Relationship breakdown support
- Access to legal advice
- Alcohol and substance misuse information and advice and guidance
- Benefits information advice and guidance
- Finance information and support
- Sexual health information advice and guidance, access to contraception and STI screening
- Connexions service outreach work
- Education Welfare outreach work
- Access to IT
- Food distribution

We have provided the following activities and skills development programmes:-

- Education support programme
- Employability skills programme
- Personal and social skills development programmes
- Alternative curriculum programme for excluded pupils
- Sports, recreation and outdoor activities programme
- Healthy eating, diet nutrition and cooking programme
- Sexual health and pregnancy prevention programme
- Risk taking behaviour and strategies to avoid and mitigate risks
- IT and computer skills
- Community events

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

FINANCIAL REVIEW

Financial support

Currently 21% of the financial requirements of the charity is met from its own sources (rental income, interest & dividends from investments and interest from a legacy). The remainder is derived from a wide range of sources including trusts and grant making bodies and central and local government funding. The Newcastle YMCA acknowledges with gratitude the support it receives from funding bodies and partners:-

Asda
Barnardos
Byker Community Trust
Children North East
Christ's Hospital of Sherburn
Cowgate People Daybreak Centre
Denton Young People's Centre
Dr Brand
Great North East Children's Hospital
Greggs Foundation
Homegroup
John Lewis Partnership
Keyfund
Linhope School
Macmillan cancer support
Mr M Moran
Mr H Howell
Mrs Coxon (Legacy)
NCVS
NE1
New Wave
Newcastle City Council
Newcastle City Council - Blakelaw Ward Committee
Newcastle City Council - Byker Ward Committee
Newcastle City Council - Change4Life
Newcastle City Council - Kenton Ward Committee
Newcastle City Council - Newcastle Fund
Newcastle City Council - Walker Ward Committee
Newcastle City Council - Youth Service
Newcastle University
NHS Charity Team
NHS England
Non-ecclesiastical Charity of William Moulton
North East Region YMCA's Discretionary Fund
Northumbria Police
The Princes Trust
Public Health Team
R W Mann
Sir James Knott Trust
Sport Works Ltd
St Anthony's Health Centre
St James URC
St Nicholas Educational Trust
St Peter's Vicarage
Stepney Bank Stables
Sunderland College
The Joicey Trust
The Wellesley Trust Fund
Trinity Academy
Tyne Met College
Virgin Money Foundation
W A Handley
YMCA England - Get Set for Community Action

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

FINANCIAL REVIEW

Investment policy and objectives

The Memorandum of Association allows the Association to invest in such investments, securities or property as may be thought fit. The Association's principal investment asset is a commercial property which provides a stable source of rental income. This property is currently leased to the University of Northumbria. The Association also has a small investment portfolio that is managed by Brewin Dolphin.

The Charity's assets, both property and cash are being held to carry out its charitable objectives. The application of the Charity's funds continues to be in developing and sustaining work with young people in a variety of community settings, but with a special emphasis on working with young people living in deprived conditions, who may find themselves marginalised or in situations of need.

Reserves policy

The Charity currently has a contingency fund which is invested and any interest or dividend accrued is applied to the work of the charity. At 31 March 2016 the reserves amounted to £154,421 which equates to 2 months running costs. This is a reduction on the 2.5 months reported last year, and reflects an increase in expenditure by the charity.

Operating Results

The fund balances carried forward at 31 March 2016 show a total of £1,737,270, the majority is represented by freehold property owned by the Association. The charity also held £43,918 of restricted funds at the year end.

An operating deficit amounting to £74,604 is shown in the Statement of Financial Activities. This has arisen due to a number of factors. As a result of new accounting rules, the charity is now required to recognise the contractual liability it has to make pension deficit payments and this has had an impact on the figures presented in the accounts. The charity has also entered into a new area of work, being the provision of alternative education services, for which, funding is received in arrears and as such has a negative impact on both cashflow and the surplus/deficit recorded by the charity.

Over recent years the Board has agreed to maintain our focus on building and sustaining our work to meet the increasing demand for our services and to support young people during these difficult times. This included a commitment to invest reserves into operational delivery if required.

This year has seen significant reductions in grant funding of our core Youth Work and the Charity has had to diversify its service offer to be able to meet its charitable objectives. It has secured contracts from local colleges to deliver education programmes to young people who are not in employment, education or training.

These contracts are payments by results with a long lag time between initial service delivery and final payment. We have had to build capacity, learn new processes and ways of working, build staff skills and compete with private sector organisations for learners. The Charity has found this challenging and on some contracts has not been able to maximise the full value of the contract.

Insurance

BSIS Corporate Insurance Brokers were appointed as our insurance brokers.

Indemnity insurance

The Charity holds indemnity insurance cover in respect of the Directors of the Charity.

Political contributions

The Charity made no political contributions during the year.

Creditor payment policy

It is the Association's policy, in respect of all suppliers, to agree the terms of payment when entering into a transaction, to ensure that suppliers are aware of those terms of payment, and that the Association abides by them.

FUTURE PLANS

The charity intends to continue with its current range of activities, and actively seeks out new avenues for assisting young people to develop themselves.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity's full name is Newcastle upon Tyne YMCA. It is a registered charity in the United Kingdom, Charity No: 1070578 and a company limited by guarantee, registered in England No: 3582739.

Recruitment and appointment of new trustees

Directors may from time to time appoint new directors of the charity, whether to fill a casual vacancy or by way of addition to the Board, provided that the prescribed maximum term is not then exceeded. Directors are appointed for three years and are eligible for re-election for further three year term. Three directors resigned during the year, being J A Falade, A M Paterson and C Swift.

When recruiting Directors, the Board looks for individuals with skills and experience which are of value to the YMCA and which may not be represented by existing Directors. Directors are recruited by recommendation, by personal invitation, application from volunteer web site agencies or from young people who have previously used the services of the YMCA. Anyone wishing to become a Director is required to undergo a check with the Disclosure and Barring Service at enhanced level and sign a declaration that they are not debarred from holding office.

Before being appointed, Directors are required to meet with the Chair of Trustees and Chief Executive who outline the mission, structure, governance and financial management of the organisation and explain the responsibilities of trustees/directors. New directors are encouraged to visit each YMCA project site to observe the work done by the organisation and they may become members of the advisory sub-committees.

Organisational structure

The charity is managed by a Board of Directors and a sub-committee structure. The Chief Executive attends meetings of the Board of Directors and the sub-committees but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers the services agreed by the Board of Directors and ensuring adequate support and supervision of the staff team.

Officers

At the Annual General Meeting on 15th September 2015, Philip Joyce was appointed as Chair and Andrew Gordon was appointed as Treasurer, for the period to the next AGM.

Key management remuneration

The directors consider the Board of directors, who are the trustees of the charity, and the senior management team comprise the key management personnel of the charity. None of the directors receive any remuneration for their services. Key management personnel received remuneration totalling £56,060 during the year. The pay of senior staff is kept under review by the Board of directors.

Related parties

In so far as it is complementary to the charity's objects, the charity is guided by the national YMCA guidance and local and national youth policy.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

In this reporting period the Risk Register was reviewed by the Board and the following policies and procedures relating to:-

Discipline and grievance
Harassment
Redundancy
Vehicles
Disclosure and barring policy
Drugs and alcohol
Finance
Pay and allowances

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03582739 (England and Wales)

Registered Charity number

1070578

Registered office

592-596 Welbeck Road
Walker
Newcastle upon Tyne
Tyne and Wear
NE6 3AB

Trustees

J A Falade	- resigned 20.5.15
A T Gordon - Treasurer	
A Bonner	
A M Paterson	- resigned 22.7.15
P A Joyce - Chairman	
S N J Kerry	
C Swift	- resigned 27.1.16
M Mooney	- resigned 25.5.16

Company Secretary

N P Hurst

Auditors

Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

Bankers

Unity Trust Bank
Nine Brindleyplace
Birmingham
B1 2HB

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Sinton & Company
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Investment Advisers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Chief Executive

N P Hurst

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Newcastle Upon Tyne Y.M.C.A. for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

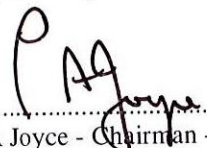
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all 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.

AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28 September 16 and signed on its behalf by:


.....
P A Joyce - Chairman - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEWCASTLE UPON TYNE Y.M.C.A. (REGISTERED NUMBER: 03582739)**

We have audited the financial statements of Newcastle Upon Tyne Y.M.C.A. for the year ended 31 March 2016 on pages ten to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEWCASTLE UPON TYNE Y.M.C.A. (REGISTERED NUMBER: 03582739)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Michael Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

Date:

NEWCASTLE UPON TYNE Y.M.C.A.

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	549,594	50,700	600,294	608,162
Charitable activities	5				
Y Eat		25,149	-	25,149	12,382
Sundry/room hire/drop in		4,822	-	4,822	4,263
Space 2 Cafe		3,365	-	3,365	4,572
Other trading activities	3	237,500	-	237,500	232,700
Investment income	4	6,510	-	6,510	6,686
Total		826,940	50,700	877,640	868,765
EXPENDITURE ON					
Raising funds					
Other trading activities	6	38,791	-	38,791	30,971
Investment management costs	7	1,486	-	1,486	3,927
		40,277	-	40,277	34,898
Charitable activities	8				
Youth work		533,244	20,217	553,461	569,896
Alternative education		352,628	-	352,628	255,079
Other		-	-	-	9,834
Total		926,149	20,217	946,366	869,707
Net gains/(losses) on investments		(5,878)	-	(5,878)	9,108
NET INCOME/(EXPENDITURE)		(105,087)	30,483	(74,604)	8,166
RECONCILIATION OF FUNDS					
Total funds brought forward		1,798,439	13,435	1,811,874	1,803,708
TOTAL FUNDS CARRIED FORWARD		<u>1,693,352</u>	<u>43,918</u>	<u>1,737,270</u>	<u>1,811,874</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**BALANCE SHEET
AT 31 MARCH 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	13	390,519	-	390,519	400,108
Investments					
Investments	14	154,421	-	154,421	161,786
Investment property	15	<u>1,632,500</u>	<u>-</u>	<u>1,632,500</u>	<u>1,632,500</u>
		2,177,440	-	2,177,440	2,194,394
CURRENT ASSETS					
Debtors	16	77,155	8,111	85,266	86,911
Cash at bank and in hand		<u>10,549</u>	<u>35,807</u>	<u>46,356</u>	<u>100,016</u>
		87,704	43,918	131,622	186,927
CREDITORS					
Amounts falling due within one year	17	<u>(162,699)</u>	<u>-</u>	<u>(162,699)</u>	<u>(137,405)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(74,995)</u>	<u>43,918</u>	<u>(31,077)</u>	<u>49,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,102,445	43,918	2,146,363	2,243,916
PENSION LIABILITY	19	<u>(409,093)</u>	<u>-</u>	<u>(409,093)</u>	<u>(432,042)</u>
NET ASSETS		<u>1,693,352</u>	<u>43,918</u>	<u>1,737,270</u>	<u>1,811,874</u>
FUNDS	18				
Unrestricted funds				1,693,352	1,798,439
Restricted funds				<u>43,918</u>	<u>13,435</u>
TOTAL FUNDS				<u>1,737,270</u>	<u>1,811,874</u>

The notes form part of these financial statements

BALANCE SHEET - CONTINUED
AT 31 MARCH 2016

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 28 September 16 and were signed on its behalf by:

A. Gordon

A T Gordon - Treasurer-Trustee

P A Joyce

P A Joyce - Chairman-Trustee

NEWCASTLE UPON TYNE Y.M.C.A.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

		2016	2015
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	(55,151)	25,339
Interest paid		<u>-</u>	<u>(598)</u>
Net cash provided by (used in) operating activities		<u>(55,151)</u>	<u>24,741</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(6,767)	(100,166)
Purchase of fixed asset investments		(6,730)	-
Sale of tangible fixed assets		373	-
Sale of fixed asset investments		8,105	46,707
Interest received		102	134
Dividends received		<u>6,408</u>	<u>6,552</u>
Net cash provided by (used in) investing activities		<u>1,491</u>	<u>(46,773)</u>
		<u> </u>	<u> </u>
 Change in cash and cash equivalents in the reporting period		(53,660)	(22,032)
Cash and cash equivalents at the beginning of the reporting period		<u>100,016</u>	<u>122,048</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>46,356</u></u>	<u><u>100,016</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(74,604)	8,166
Adjustments for:		
Depreciation charges	15,397	23,180
Losses on investments	5,990	-
Loss on disposal of fixed assets	586	-
Interest received	(102)	(134)
Interest paid	-	598
Dividends received	(6,408)	(6,552)
Gains on investments	-	(9,108)
Decrease/(increase) in debtors	1,645	(23,522)
Increase in creditors	25,294	22,877
Difference between pension charge and cash contributions	<u>(22,949)</u>	<u>9,834</u>
Net cash provided by (used in) operating activities	<u>(55,151)</u>	<u>25,339</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The company recorded a deficit for the year and has net current liabilities at the year end, however, the Trustees expected this due to the timing of funding streams and note that reserves brought forward are more than sufficient to absorb the deficit. The Trustees have carefully considered the budget for the coming year and are taking steps to ensure that the deficit is recouped as soon as possible and for these reasons have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Adoption of SORP (FRS 102)

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 21 to the accounts.

Judgements and key sources of estimation uncertainty

In applying the following accounting policies, the trustees consider that the judgement that has the most significant effect on the amounts recognised in the financial statements, is the interest rate used to discount the future pension deficit reduction payments. This has been set at 3.6% in line with the yield on high quality corporate bonds.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Costs are allocated between charitable activities and governance costs according to the nature of the cost.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line basis
Leasehold improvements	- 10% on reducing balance
Fixtures, fittings and equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation

The charity is exempt from corporation tax on its charitable activities.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Employee benefits

Newcastle upon Tyne YMCA participates in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new member's 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 Newcastle upon Tyne YMCA, therefore the scheme is accounted for as a defined benefit contribution scheme.

As described in note 20 to the financial statements, Newcastle upon Tyne YMCA does however, have a contractual obligation to make pension deficit payments of £37,165 pa over the period to April 2027, accordingly this is shown as a liability on the Balance Sheet in these accounts. The liability is measured at its present value and the unwinding of the discount is recognised as a finance cost in the Statement of Financial Activities. In addition, Newcastle upon Tyne YMCA is required to contribute £5,745 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

Long term contracts

The charity has a number of contracts for provision of services and income derived from these is recognised with the delivery of the contracted service and is calculated based on the time spent providing the service as a proportion of the total time spent to fulfil the contract. Where the contract is expected to produce a loss, this is recognised in full.

2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations and grants	597,172	599,494
Legacies	<u>3,122</u>	<u>8,668</u>
	<u>600,294</u>	<u>608,162</u>

3. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Rent received	<u>237,500</u>	<u>232,700</u>

4. INVESTMENT INCOME

	2016	2015
	£	£
Dividends and other investment income	6,408	6,552
Deposit account interest	<u>102</u>	<u>134</u>
	<u>6,510</u>	<u>6,686</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2016 £	2015 £
Sundry income	Y Eat	25,149	12,382
Sundry income	Sundry/room hire/drop in	4,822	4,263
Sundry income	Space 2 Cafe	3,365	4,572
		<u>33,336</u>	<u>21,217</u>

6. OTHER TRADING ACTIVITIES

	2016 £	2015 £
Purchases	20,843	13,023
Support costs	<u>17,948</u>	<u>17,948</u>
	<u>38,791</u>	<u>30,971</u>

7. INVESTMENT MANAGEMENT COSTS

	2016 £	2015 £
Legal fees	-	3,927
Support costs	<u>1,486</u>	<u>-</u>
	<u>1,486</u>	<u>3,927</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 9) £	Totals £
Youth work	376,761	176,700	553,461
Alternative education	<u>274,966</u>	<u>77,662</u>	<u>352,628</u>
	<u>651,727</u>	<u>254,362</u>	<u>906,089</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

9. SUPPORT COSTS

	Premises £	Phone £	Professional fees £	
Fundraising trading: cost of goods sold and other costs	-	-	-	
Investment management costs	-	-	1,486	
Youth work	38,330	6,990	8,028	
Alternative education	17,781	3,237	6,492	
	<u>56,111</u>	<u>10,227</u>	<u>16,006</u>	
	Insurance £	Staff costs £	Other £	Totals £
Fundraising trading: cost of goods sold and other costs	-	17,948	-	17,948
Investment management costs	-	-	-	1,486
Youth work	7,703	81,651	33,998	176,700
Alternative education	3,301	32,422	14,429	77,662
	<u>11,004</u>	<u>132,021</u>	<u>48,427</u>	<u>273,796</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Depreciation - owned assets	15,397	23,180
Hire of plant and machinery	8,458	6,815
Deficit on disposal of fixed asset	586	-
Auditors remuneration	<u>3,312</u>	<u>5,527</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

Directors and officers indemnity insurance was purchased to the value of £860 (2015:£633).

No employees received emolument of more than £60,000. (2015: no employees)

Trustees' expenses

Trustee expenses of £112 were paid during the year to one trustee (2015: £187 to one trustee).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

12. STAFF COSTS

	2016 £	2015 £
Wages and salaries	618,381	523,629
Social security costs	47,153	36,138
Other pension costs	6,616	2,399
	<u>672,150</u>	<u>562,166</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Chief executive	1	1
Administration	4	4
Project staff	<u>27</u>	<u>27</u>
	<u>32</u>	<u>32</u>

No employees received emoluments in excess of £60,000.

In addition pension payments of £42,130 (2015: £45,111) were paid to YMCA Pension Scheme, £19,181 of which is reflected in the Statement of Financial Activities and £22,949 of which reduces the brought forward pension liability.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2015	386,921	5,029	34,929	31,644	458,523
Additions	-	6,767	-	-	6,767
Disposals	-	-	(959)	-	(959)
At 31 March 2016	<u>386,921</u>	<u>11,796</u>	<u>33,970</u>	<u>31,644</u>	<u>464,331</u>
DEPRECIATION					
At 1 April 2015	19,657	2,882	20,109	15,767	58,415
Charge for year	<u>7,738</u>	<u>504</u>	<u>3,186</u>	<u>3,969</u>	<u>15,397</u>
At 31 March 2016	<u>27,395</u>	<u>3,386</u>	<u>23,295</u>	<u>19,736</u>	<u>73,812</u>
NET BOOK VALUE					
At 31 March 2016	<u>359,526</u>	<u>8,410</u>	<u>10,675</u>	<u>11,908</u>	<u>390,519</u>
At 31 March 2015	<u>367,264</u>	<u>2,147</u>	<u>14,820</u>	<u>15,877</u>	<u>400,108</u>

The freehold properties were re-valued on 31 March 2013 by Sanderson Wetherall Chartered Surveyors and Property Consultants at £275,000. All of the valuations were based on the current open market freehold value of the premises in their existing condition. Subsequent improvements amounting to £111,921 have been valued at cost.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2015	161,786
Additions	6,730
Disposals	(8,105)
Increase in market value	<u>(5,990)</u>
At 31 March 2016	<u>154,421</u>
 NET BOOK VALUE	
At 31 March 2016	<u>154,421</u>
At 31 March 2015	<u>161,786</u>

There were no investment assets outside the UK.

15. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 April 2015 and 31 March 2016	<u>1,632,500</u>
NET BOOK VALUE	
At 31 March 2016	<u>1,632,500</u>
At 31 March 2015	<u>1,632,500</u>

The investment properties were revalued on 31 March 2013 by Sanderson Wetherall Chartered Surveyor and Property Consultants. The valuation was based on the current market open market freehold value of the premises in their existing condition.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	61,984	73,705
Amounts recoverable on contract	14,540	-
Prepayments	<u>8,742</u>	<u>13,206</u>
	<u>85,266</u>	<u>86,911</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	24,904	16,827
Other creditors	-	683
Accruals and deferred income	<u>137,795</u>	<u>119,895</u>
	<u>162,699</u>	<u>137,405</u>

Accruals and deferred income includes grant income deferred at the year end amounting to £78,553 (2015: £13,750).

18. MOVEMENT IN FUNDS

	At 1.4.15 £	Net movement in funds £	At 31.3.16 £
Unrestricted funds			
General fund	(67,206)	(97,723)	(164,929)
Revaluation reserve	41,360	-	41,360
Capital Fund	1,632,500	-	1,632,500
Contingency Fund	161,785	(7,364)	154,421
Youth centre development	<u>30,000</u>	<u>-</u>	<u>30,000</u>
	1,798,439	(105,087)	1,693,352
Restricted funds			
Alternative Education Project	2,314	(2,314)	-
Walker Fund	1,612	-	1,612
Youth Services	9,509	(8,377)	1,132
Youth Work	<u>-</u>	<u>41,174</u>	<u>41,174</u>
	13,435	30,483	43,918
TOTAL FUNDS	<u>1,811,874</u>	<u>(74,604)</u>	<u>1,737,270</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	826,940	(924,663)	-	(97,723)
Contingency Fund	<u>-</u>	<u>(1,486)</u>	<u>(5,878)</u>	<u>(7,364)</u>
	826,940	(926,149)	(5,878)	(105,087)
Restricted funds				
Alternative Education Project	-	(2,314)	-	(2,314)
Youth Services	20	(8,397)	-	(8,377)
Youth Work	<u>50,680</u>	<u>(9,506)</u>	<u>-</u>	<u>41,174</u>
	50,700	(20,217)	-	30,483
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>877,640</u>	<u>(946,366)</u>	<u>(5,878)</u>	<u>(74,604)</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

18. MOVEMENT IN FUNDS - continued

General funds

General funds are funds that can be used in accordance with the charitable objectives at the discretion of the trustees. Within general funds are specific funds that have been designated by the trustees for particular purposes. These designated funds are as follows: -

Capital fund

This represents funds used to support the charity's investment property.

Youth Centre Development

This represents funds designated for a potential new youth centre.

Contingency Fund

This fund tracks the market value of the listed investments held by the charity.

Revaluation Reserve

The revaluation reserve represents the uplift in value of the properties owned by the charity on revaluation.

Restricted funds

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. The restricted funds held by the charity are as follows: -

Alternative Education Project Fund

The Alternative Education project is a fund set up to provide alternative learning support to young people.

Walker Fund

This represents funds raised for youth work to be undertaken within Walker.

Youth Services

This represents funds received for other specific youth projects.

Youth Work

This represents funds received from Virgin Money, Sir James Knott Trust and John Lewis, for specific youth work projects.

19. EMPLOYEE BENEFIT OBLIGATIONS

Newcastle upon Tyne YMCA 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 charity 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).

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

19. EMPLOYEE BENEFIT OBLIGATIONS
- continued

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

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to the Newcastle upon Tyne YMCA and accordingly the pension deficit is not shown on the balance sheet.

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.

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 £3,097 from 1 May 2015. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 12 years commencing 1 May 2015.

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.

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2016.

21. FIRST YEAR ADOPTION

The effect of the adoption of the new FRS 102 standard on the charity's account is shown in the following pages.

**RECONCILIATION OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		608,162	-	608,162
Charitable activities		21,217	-	21,217
Other trading activities		232,700	-	232,700
Investment income		<u>6,686</u>	<u>-</u>	<u>6,686</u>
Total		868,765	-	868,765
EXPENDITURE ON				
Raising funds		34,898	-	34,898
Charitable activities		812,775	12,200	824,975
OBSOLETE Governance costs	(a)	12,200	(12,200)	-
Other	(b)	<u>-</u>	<u>9,834</u>	<u>9,834</u>
Total		859,873	9,834	869,707
Net gains/(losses) on investments		<u>9,108</u>	<u>-</u>	<u>9,108</u>
NET INCOME/(EXPENDITURE)		<u>18,000</u>	<u>(9,834)</u>	<u>8,166</u>

Notes to the reconciliation of income and expenditure

(a) Governance costs have been reallocated against normal charitable expenditure and not disclosed separately.

(b) A new category of cost has been created to disclose the cost of the pension scheme liability.

NEWCASTLE UPON TYNE Y.M.C.A.

RECONCILIATION OF FUNDS

AT 1 APRIL 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		323,122	-	323,122
Investments				
Investments		199,385	-	199,385
Investment property		<u>1,632,500</u>	<u>-</u>	<u>1,632,500</u>
		2,155,007	-	2,155,007
 CURRENT ASSETS				
Debtors		63,389	-	63,389
Cash at bank and in hand		<u>122,048</u>	<u>-</u>	<u>122,048</u>
		185,437	-	185,437
 CREDITORS				
Amounts falling due within one year		(114,528)	-	(114,528)
		<u>70,909</u>	<u>-</u>	<u>70,909</u>
NET CURRENT ASSETS/(LIABILITIES)				
		2,225,916	-	2,225,916
 PENSION LIABILITY	(c)	-	(422,208)	(422,208)
		<u>2,225,916</u>	<u>(422,208)</u>	<u>1,803,708</u>
 FUNDS				
Unrestricted funds		2,166,882	(422,208)	1,744,674
Restricted funds		<u>59,034</u>	<u>-</u>	<u>59,034</u>
TOTAL FUNDS		<u>2,225,916</u>	<u>(422,208)</u>	<u>1,803,708</u>

NEWCASTLE UPON TYNE Y.M.C.A.

RECONCILIATION OF FUNDS
AT 31 MARCH 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		400,108	-	400,108
Investments				
Investments		161,786	-	161,786
Investment property		<u>1,632,500</u>	<u>-</u>	<u>1,632,500</u>
Total		2,194,394	-	2,194,394
CURRENT ASSETS				
Debtors		86,911	-	86,911
Cash at bank and in hand		<u>100,016</u>	<u>-</u>	<u>100,016</u>
		186,927	-	186,927
CREDITORS				
Amounts falling due within one year		<u>(137,405)</u>	<u>-</u>	<u>(137,405)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>49,522</u>	<u>-</u>	<u>49,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,243,916	-	2,243,916
PENSION LIABILITY	(c)	-	(432,042)	(432,042)
NET ASSETS		<u>2,243,916</u>	<u>(432,042)</u>	<u>1,811,874</u>
FUNDS				
Unrestricted funds		2,230,481	(432,042)	1,798,439
Restricted funds		<u>13,435</u>	<u>-</u>	<u>13,435</u>
TOTAL FUNDS		<u>2,243,916</u>	<u>(432,042)</u>	<u>1,811,874</u>

Notes to the reconciliation of funds

(c) A liability was created for the net present value of the payments due to the company's pension scheme as part of the recovery plan to finance the pension deficit. This was not previously recognised as a liability.