

REGISTERED COMPANY NUMBER: 03582739 (England and Wales)
REGISTERED CHARITY NUMBER: 1070578

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2017
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

NEWCASTLE UPON TYNE Y.M.C.A.

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FOR THE YEAR ENDED 31 MARCH 2017**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

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 2017. 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. Because of this our work also benefits the local community, families and siblings alike.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During this reporting period the full effects of the Governments austerity programme have been passed through to service contract holders with the City Council, local colleges and schools all ceasing to contract for services with us. As a direct consequence we have had to reduce our service delivery and restructure our organisation. We have closed our service delivery centres in Byker and Cowgate, closed our alternative education programme for young people aged 14-16 who were permanently excluded from school, closed our 16-18 education programmes for young people not in education, employment or training and reduced our management and admin support staff.

As part of the restructuring we are gearing up to open a number of social enterprises that will allow us to deliver our charitable activities but earn sufficient income to ensure our sustainability in the future. This year we have opened the first, a community centre and café in Walker, bringing back into use a community building that has been closed for 5 years, creating new jobs within the local economy and where possible sourcing suppliers from within the North East.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

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

94,349 hours of support and development activities to 1,622 young people during 1,786 different activity sessions with a combined attendance of 19,915.

Education and Training

12,652 hours of education and training activities to 131 young people during 302 different activity sessions with a combined attendance of 1,986.

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

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 2017**

FINANCIAL REVIEW

Financial support

Currently 61% 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:-

5th Battalion Royal Fusiliers Association
Austin Hope Pilkington Trust
BBC Children in Need
Big Lottery - Get Set for Community Action
Byker Primary School
Christ's Hospital of Sherburn
Daybreak
Dr Brand
Food Nation CIC
Hadrian Trust
Hotspur Primary School
Keyfund
Linhope School
Lord Lieutenant of Tyne and Wear
NE1 Ltd
Newcastle City Council - Early Intervention Grant
Newcastle City Council - Byker Ward Committee
Newcastle City Council - Change4Life
Newcastle City Council - Kenton Ward Committee
Newcastle City Council - Walker Ward Committee
Newcastle Council for Voluntary Services
NHS England
Non-ecclesiastical Charity of William Moulton
North East Region YMCA's Discretionary Fund
Northumbria University
Police and Crime Commissioner for Northumbria
Positive People Positive Places
Riverside Community Chest
R W Mann
Sport Works Ltd
St Anthony's Health Centre
St Nicholas Educational Trust
Sunderland College
Trinity Academy
Tyne Metropolitan College
Virgin Money Foundation
W A Handley
Warburton's Foundation
Women's Trust Fund

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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

FINANCIAL REVIEW

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 2017 the reserves amounted to £166,917 which equates to 3 months running costs.

Operating Results

The fund balances carried forward at 31 March 2017 show a total of £1,875,440, the majority is represented by freehold property owned by the Association. The charity also held £27,888 of restricted funds at the year end.

An operating surplus amounting to £138,170 is shown in the Statement of Financial Activities. This has arisen due to dilapidation income from Northumbria University totalling £360,000 received in the period.

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. The charity is no longer in a position to commit reserves to support operational delivery and this year took the difficult decision to close 2 of its community youth projects.

Last year saw significant reductions in grant funding of our core Youth Work and the Charity began to diversify its services to continue to meet its charitable objectives. It did so by securing contracts from local colleges and schools to deliver education programmes to young people who are not in employment, education or training and the charity invested in the resources required to start this new work with the intention of recouping that investment over the coming years. Mid way through this reporting period, funding settlements to colleges and schools were reduced significantly and they ceased to subcontract provision to third party organisations such as ours and the Charity was not able to recover the start up investment as planned.

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

During the next reporting period the charity intends to continue with its reduced range of youth work activities, to establish the café and community centre social enterprise and to set up a second one.

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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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. Four directors resigned during the year, being Anne Bonner, Anna Rea, Nicola Quinn and Mary Mooney.

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. Directors are also required to complete safeguarding training.

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 28th September 2016, Philip Joyce was reappointed as Chair and Andrew Gordon was reappointed 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.

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 along with the following policies and procedures relating to:-

Staff handbook
Health and safety manual
Email and internet
Loneworking
Sustainability
Volunteering
Weapons
Whistleblowing

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03582739 (England and Wales)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1070578

Registered office

F.A.O, Finance Officer
592-596 Welbeck Road
Walker
Newcastle upon Tyne
Tyne and Wear
NE6 3AB

Trustees

A T Gordon - Treasurer	
A Bonner	- resigned 28.9.16
P A Joyce - Chairman	
S N J Kerry	
M Mooney	- resigned 25.5.16
K Douglas	
A M Rea	- resigned 24.5.17
T D F Lillie	- appointed 25.5.16
T Scott	
N A Quinn	- resigned 24.5.17
T A R S Nisbet	- appointed 13.9.16
J Burns	- appointed 22.2.17
A English	- appointed 22.2.17

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

Solicitors

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

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.

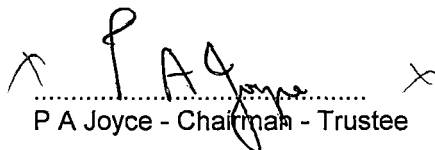
In so far as the trustees are aware:

- 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 19th July 2017 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 2017 on pages ten to twenty four. 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 2017 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 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: 19 October 2017

NEWCASTLE UPON TYNE Y.M.C.A.

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	268,577	77,073	345,650	600,294
Charitable activities	6				
Y Eat		21,729	-	21,729	25,149
Sundry/room hire/drop in		10,062	-	10,062	4,822
Space 2 Cafe		4,196	-	4,196	3,365
Other trading activities	4	586,800	-	586,800	237,500
Investment income	5	5,470	-	5,470	6,510
Total		896,834	77,073	973,907	877,640
EXPENDITURE ON					
Raising funds					
Other trading activities	7	58,729	-	58,729	38,791
Investment management costs	8	1,344	-	1,344	1,486
		60,073	-	60,073	40,277
Charitable activities	9				
Youth work		416,182	72,886	489,068	553,461
Alternative education		280,218	20,218	300,436	352,628
Total		756,473	93,104	849,577	946,366
Net gains/(losses) on investments		13,840	-	13,840	(5,878)
NET INCOME/(EXPENDITURE)		154,201	(16,031)	138,170	(74,604)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,693,352	43,918	1,737,270	1,811,874
TOTAL FUNDS CARRIED FORWARD		1,847,553	27,887	1,875,440	1,737,270

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

NEWCASTLE UPON TYNE Y.M.C.A. (REGISTERED NUMBER: 03582739)

**BALANCE SHEET
AT 31 MARCH 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	14	373,903	-	373,903	390,519
Investments					
Investments	15	86,915	-	86,915	154,421
Investment property	16	1,632,500	-	1,632,500	1,632,500
		<u>2,093,318</u>	<u>-</u>	<u>2,093,318</u>	<u>2,177,440</u>
CURRENT ASSETS					
Debtors	17	34,040	-	34,040	85,266
Cash at bank and in hand		<u>246,502</u>	<u>28,212</u>	<u>274,714</u>	<u>46,356</u>
		<u>280,542</u>	<u>28,212</u>	<u>308,754</u>	<u>131,622</u>
CREDITORS					
Amounts falling due within one year	18	(142,145)	(324)	(142,469)	(162,699)
NET CURRENT ASSETS/(LIABILITIES)		<u>138,397</u>	<u>27,888</u>	<u>166,285</u>	<u>(31,077)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,231,715</u>	<u>27,888</u>	<u>2,259,603</u>	<u>2,146,363</u>
PENSION LIABILITY	20	(384,163)	-	(384,163)	(409,093)
NET ASSETS		<u>1,847,552</u>	<u>27,888</u>	<u>1,875,440</u>	<u>1,737,270</u>
FUNDS	19				
Unrestricted funds				1,847,552	1,693,352
Restricted funds				<u>27,888</u>	<u>43,918</u>
TOTAL FUNDS				<u>1,875,440</u>	<u>1,737,270</u>

The notes form part of these financial statements

BALANCE SHEET - CONTINUED
AT 31 MARCH 2017

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 19th July 2017 and were signed on its behalf by:

X A. Gordon X
A T Gordon - Treasurer-Trustee

X P A Joyce X
P A Joyce - Chairman-Trustee

NEWCASTLE UPON TYNE Y.M.C.A.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>140,742</u>	<u>(55,151)</u>
Net cash provided by (used in) operating activities		<u>140,742</u>	<u>(55,151)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(6,767)
Purchase of fixed asset investments		(5,020)	(6,730)
Sale of tangible fixed assets		800	373
Sale of fixed asset investments		86,366	8,105
Interest received		119	102
Dividends received		<u>5,351</u>	<u>6,408</u>
Net cash provided by (used in) investing activities		<u>87,616</u>	<u>1,491</u>
Change in cash and cash equivalents in the reporting period		<u>228,358</u>	<u>(53,660)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>46,356</u>	<u>100,016</u>
Cash and cash equivalents at the end of the reporting period		<u><u>274,714</u></u>	<u><u>46,356</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

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

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	138,170	(74,604)
Adjustments for:		
Depreciation charges	13,427	15,397
(Gain)/losses on investments	(13,840)	5,990
Loss on disposal of fixed assets	2,389	586
Interest received	(119)	(102)
Dividends received	(5,351)	(6,408)
Decrease in debtors	51,226	1,645
(Decrease)/increase in creditors	(20,230)	25,294
Difference between pension charge and cash contributions	(24,930)	(22,949)
Net cash provided by (used in) operating activities	140,742	(55,151)

NEWCASTLE UPON TYNE Y.M.C.A.

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

1. STATEMENT OF COMPLIANCE

Newcastle Upon Tyne YMCA is a company limited by guarantee (company number: 03582739) and also a registered charity (charity number: 1070578). The registered office is 592-596 Welbeck Road, Walker, Newcastle Upon Tyne, Tyne and Wear, NE6 3AB.

2. 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 financial statements have been prepared on a going concern basis on the ground that current and future sources of funding or support will be more than adequate for the charity's needs. The Trustees have considered a period of 12 months from the balance sheet date and consider no further disclosures relating to the charity's ability to continue as a going concern need to be made.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial accounts are prepared in Sterling (£).

Significant estimates and judgements

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.

The charity has applied the following accounting policies:

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

2. ACCOUNTING POLICIES - continued

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.

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.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and cash equivalents

Cash in bank and cash equivalents comprises cash in hand and current balances with banks and other institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. This definition is also used for the cash flow statement.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity 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.

NEWCASTLE UPON TYNE Y.M.C.A.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

3. DONATIONS AND LEGACIES

	2017 £	2016 £
Donations and grants	341,366	597,172
Legacies	4,284	3,122
	<u>345,650</u>	<u>600,294</u>

4. OTHER TRADING ACTIVITIES

	2017 £	2016 £
Dilapidation income	360,000	-
Rent received	226,100	237,500
Insurance claims	700	-
	<u>586,800</u>	<u>237,500</u>

5. INVESTMENT INCOME

	2017 £	2016 £
Dividends and other investment income	5,351	6,408
Deposit account interest	119	102
	<u>5,470</u>	<u>6,510</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Y Eat £	Sundry/room hire/drop in £	Space 2 Cafe £	2017 Total activities £	2016 Total activities £
Sundry income	<u>21,729</u>	<u>10,062</u>	<u>4,196</u>	<u>35,987</u>	<u>33,336</u>

7. OTHER TRADING ACTIVITIES

	2017 £	2016 £
Purchases	15,765	20,843
Support costs	42,964	17,948
	<u>58,729</u>	<u>38,791</u>

8. INVESTMENT MANAGEMENT COSTS

	2017 £	2016 £
Support costs	<u>1,344</u>	<u>1,486</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 10)	Totals
	£	£	£
Youth work	314,071	174,997	489,068
Alternative education	226,654	73,782	300,436
	<u>540,725</u>	<u>248,779</u>	<u>789,504</u>

10. SUPPORT COSTS

	Premises £	Phone £	Professional fees £
Other trading activities	-	-	-
Investment management costs	-	-	1,344
Youth work	55,482	5,271	23,667
Alternative education	22,131	2,441	11,345
	<u>77,613</u>	<u>7,712</u>	<u>36,356</u>

	Insurance £	Staff costs £	Other £	Totals £
Other trading activities	-	42,964	-	42,964
Investment management costs	-	-	-	1,344
Youth work	8,196	50,114	32,267	174,997
Alternative education	3,513	21,477	12,875	73,782
	<u>11,709</u>	<u>114,555</u>	<u>45,142</u>	<u>293,087</u>

11. NET INCOME/(EXPENDITURE)

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

	2017 £	2016 £
Depreciation - owned assets	13,427	15,397
Hire of plant and machinery	8,999	8,458
Deficit on disposal of fixed asset	2,389	586
Auditors remuneration	<u>3,798</u>	<u>3,312</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

Directors and officers indemnity insurance was purchased to the value of £920 (2016: £860).

Trustees' expenses

Trustee expenses of £117 (2016: £112) were paid during the year to one trustee.

NEWCASTLE UPON TYNE Y.M.C.A.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

13. STAFF COSTS

	2017 £	2016 £
Wages and salaries	527,208	618,381
Social security costs	36,905	47,153
Other pension costs	7,079	6,616
	<u>571,192</u>	<u>672,150</u>

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

	2017	2016
Chief executive	1	1
Administration	4	4
Project staff	21	27
	<u>26</u>	<u>32</u>

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

At 31 March 2017 the charity had one CEO, four administrative staff and 21 project workers.

In addition pension payments of £44,368 (2016: £42,130) were paid to YMCA Pension Scheme, £19,438 of which is reflected in the Statement of Financial Activities and £24,930 of which reduces the brought forward pension liability.

14. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2016	386,921	11,796	33,970	31,644	464,331
Disposals	-	-	-	(13,440)	(13,440)
At 31 March 2017	<u>386,921</u>	<u>11,796</u>	<u>33,970</u>	<u>18,204</u>	<u>450,891</u>
DEPRECIATION					
At 1 April 2016	27,395	3,386	23,295	19,736	73,812
Charge for year	7,738	841	2,668	2,180	13,427
Eliminated on disposal	-	-	-	(10,251)	(10,251)
At 31 March 2017	<u>35,133</u>	<u>4,227</u>	<u>25,963</u>	<u>11,665</u>	<u>76,988</u>
NET BOOK VALUE					
At 31 March 2017	<u>351,788</u>	<u>7,569</u>	<u>8,007</u>	<u>6,539</u>	<u>373,903</u>
At 31 March 2016	<u>359,526</u>	<u>8,410</u>	<u>10,675</u>	<u>11,908</u>	<u>390,519</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.

NEWCASTLE UPON TYNE Y.M.C.A.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2016	154,421
Additions	5,020
Disposals	(86,366)
Increase in market value	13,840
	<hr/>
At 31 March 2017	86,915
	<hr/>
NET BOOK VALUE	
At 31 March 2017	86,915
	<hr/>
At 31 March 2016	154,421
	<hr/>

There were no investment assets outside the UK.

16. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 April 2016 and 31 March 2017	1,632,500
	<hr/>
NET BOOK VALUE	
At 31 March 2017	1,632,500
	<hr/>
At 31 March 2016	1,632,500
	<hr/>

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.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	10,271	61,984
Amounts recoverable on contract	-	14,540
Prepayments	23,769	8,742
	<hr/>	<hr/>
	34,040	85,266
	<hr/>	<hr/>

NEWCASTLE UPON TYNE Y.M.C.A.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	8,583	24,904
Accruals and deferred income	133,886	137,795
	<u>142,469</u>	<u>162,699</u>

Accruals and deferred income includes grant income deferred at the year end amounting to £65,604 (2016: £78,553).

19. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted funds			
General fund	(164,929)	141,704	(23,225)
Revaluation reserve	41,360	-	41,360
Capital Fund	1,632,500	-	1,632,500
Contingency Fund	154,421	12,496	166,917
Youth centre development	30,000	-	30,000
	<u>1,693,352</u>	<u>154,200</u>	<u>1,847,552</u>
Restricted funds			
Walker Fund	1,612	1,175	2,787
Youth Services	1,132	6,415	7,547
Youth Work	41,174	(23,620)	17,554
	<u>43,918</u>	<u>(16,030)</u>	<u>27,888</u>
TOTAL FUNDS	<u>1,737,270</u>	<u>138,170</u>	<u>1,875,440</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

19. 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	896,834	(755,130)	-	141,704
Contingency Fund	-	(1,344)	13,840	12,496
	<u>896,834</u>	<u>(756,474)</u>	<u>13,840</u>	<u>154,200</u>
Restricted funds				
Walker Fund	4,813	(3,638)	-	1,175
Youth Services	30,130	(23,715)	-	6,415
Youth Work	42,130	(65,750)	-	(23,620)
	<u>77,073</u>	<u>(93,103)</u>	<u>-</u>	<u>(16,030)</u>
TOTAL FUNDS	<u><u>973,907</u></u>	<u><u>(849,577)</u></u>	<u><u>13,840</u></u>	<u><u>138,170</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

19. 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: -

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.

20. 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).

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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

**20. EMPLOYEE BENEFIT OBLIGATIONS
- continued**

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.

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.