

Company number: 02685808
Charity number: 1008752

**SUTTON COLDFIELD YOUNG MEN'S
CHRISTIAN ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)**

Financial statements

Year ended 31 March 2019

**SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)**

INDEX

Legal and Administrative Details	1
Report of the Trustees	2
Independent Auditor's Report	7
Statement of Financial Activities (Incorporating the Income and Expenditure Account)	10
Balance Sheet	11
Statement of Cashflows	12
Notes to the Financial Statements	13

**SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES AND DIRECTORS

John Day
Judith Hutchinson
Richard Newman (resigned 14th November 2018)
Alfred David Owen
Reverend Matthew Rhodes (resigned 14th November 2018)
Joy Scott-Thompson
Leon Stephens
Colin Briley
David Daly
Philip Scully
Lorraine Ford (appointed 14th November 2018)
Clare Kathryn Horrocks (appointed 14th November 2018)

SECRETARY

Clive Yates

COMPANY NUMBER

02685808

REGISTERED CHARITY NUMBER

1008752

REGISTERED OFFICE

George Williams House
Watson Close
St. Bernard's Road
Sutton Coldfield
West Midlands
B72 1LE

AUDITOR

Mazars LLP
45 Church Street
Birmingham
B3 2RT

BANKERS

Lloyds Bank Plc
CAF Bank Limited

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report with the audited financial statements for the year ended 31 March 2019. The Trustees and Trustees' Report constitute the Directors and Directors' Report for Companies Act purposes. The terms 'Charity' and 'Association' refer to Sutton Coldfield YMCA.

STATUS

The Association is a company limited by guarantee and is a registered charity. It does not have a share capital. The liability of members is limited to £1. Its policies and operations are governed by its Memorandum and Articles of Association.

TRUSTEES AND CHIEF EXECUTIVE

The Trustees who served during the year and to the date of this report were as follows:

John Day
Judith Hutchinson
Richard Newman (resigned 14th November 2018)
Alfred David Owen
Reverend Matthew Rhodes (resigned 14th November 2018)
Joy Scott-Thompson
Leon Stephens
Colin Briley
David Daly
Philip Scully
Lorraine Ford (appointed 14th November 2018)
Clare Kathryn Horrocks (appointed 14th November 2018)

The Chief Executive is Clive Yates.

PRINCIPAL ACTIVITY

The Association's activities have, principally, been the fulfilment of the aims of the Young Men's Christian Association by the provision of facilities and development of activities to enable members to achieve in a Christian environment. Specifically the Association provides residential accommodation for young, low income, unemployed, working people taking up employment in the areas around Sutton Coldfield and young people in training, as well as providing support to satellite youth clubs in the area. The Trustees consider these activities are clearly for the public benefit.

HOW THE ASSOCIATION IS GOVERNED

The Board of Trustees ("The Board")

The Board is led by our Chairperson, Colin Briley and is comprised of Trustees appointed by their fellow trustees. The Board is required by the constitutional documents to be made up of at least 75% practicing Christians with the Chairperson being a practicing Christian.

The Board is responsible for all of the Trust's activities and meets quarterly to receive reports, make decisions and determines strategy. Among its many responsibilities, the Board takes responsibility for identifying and managing any risk to the Association's assets and to the efficient and safe undertaking of its responsibilities. If Board members have personal, work or health issues that are affecting their ability to perform their duties, they have the option to take a sabbatical of a period of up to twelve months with the permission of the Chair. Board members serve a term of three

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

years, up to a maximum of three terms. Board members must then have a 12 month break before they can be considered for re-election.

Trustee Induction & Training

All new trustees undergo a thorough training plan, including provision of a Board pack detailing all the relevant roles and responsibilities as per Charity Commission guidance. Twice a year, Board members are required to attend a Board Away Day where strategic planning and training are the main agendas.

COMMITTEES OF THE BOARD

Fundraising, Marketing, Programmes and Technology Committee

During the year the following Trustees were members of the Fundraising, Marketing and Technology Committee:

David Owen
Judith Hutchinson
Joy Scott-Thompson

In attendance are Clive Yates (Chief Executive) and Stephanie Patrick (Deputy Chief Executive).

This Committee meets four times a year. This Committee receives reports on the issues relating to fundraising and marketing as well as setting strategies for the growth objectives. The technology aspect is relatively new but will also deal with related matters and ensuring the IT infrastructure is robust, secure and able to meet the future requirements of the organization, whilst protecting the Charity and its users.

Finance, Audit and Remuneration

During the year the following Trustees were members of the Finance, Audit and Remuneration Committee:

Leon Stephens (Treasurer)
David Owen
John Day
David Daly
Colin Briley

In attendance at and reporting to the Committee:
Clive Yates (Chief Executive)
Emma Freake (Finance Officer)

The Finance Committee aim to meet on a monthly basis and have responsibility for the management of the Trust's financial assets, long-term funds and scrutiny of its operating funds, revenues and expenses.

With regards to the pay of the Association's key management personnel, pay is reviewed annually by the Finance, Audit and Remuneration Committee, taking into account local levels of pay, pay rates of comparable YMCA's, and the RPI, with recommendations submitted to the Board for approval.

Business Development Committee

During the year the following Trustees were members of the Business Development Committee:

David Owen
Colin Briley
David Daly
Philip Scully

In attendance and reporting to the Committee:
Clive Yates (Chief Executive)

This Committee will meet on an ad-hoc basis depending on the needs of the organization. The principal responsibility is to ensure that Sutton Coldfield YMCA is able to respond to changing needs of the organization. Currently the

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

Committee is responsible for the development of the Walmley Project and matters related to the development at Watson Close.

In November 2016 we achieved the Charity Commission endorsed YMCA INSYNC Standard for Governance, Financial control and work with young people.

REVIEW OF ACTIVITIES

As we continue to face a changing funding environment, there has been continuing success in all existing and new projects. Some highlights of the year have included the continued success of the disability projects that includes K-Kats, Stepping Up and Moving On. The Release Young Carers project has worked with 40 schools in the North of Birmingham identifying and supporting young carers. The AAA project has expanded from its initial range of three targeted areas (Falcon Lodge, Conker Island and Bandywood Estate) to three further areas (Nechells, Stockland Green and Handsworth) with its aim of helping 1750 young people build Ambition, Aspire, and Achieve. It also enabled us to purchase a new minibus to give young people opportunities for trips, activities etc, and run a Birmingham Youth Work Conference in November 2017, the first of a series of six events aimed at raising the profile of youth work. This year, the Virtually Minded Project launched, which aims to change perceptions, raise awareness and get young men talking about mental health using the power of social media. We have also received funding from Sport England to help encourage young women to engage in physical activity.

Housing continues to provide quality accommodation and support to young people new to the area of living independently for the first time. With the introduction of European volunteers through the Erasmus+ funding stream, we are able to support existing staff teams whilst giving work experience to young people from across Europe. We have had 11 participants in the European Voluntary Scheme (EVS) this year, and have employed two ex volunteers on a permanent basis. European funding also enabled us to complete a successful Youth Exchange visit to Palestine in July 2017, with return visits to the UK scheduled for summer 2018.

Whilst ongoing austerity measures felt by all charities continue to cause difficulties, our quality programmes attract new income streams that helps to secure existing and new programmes for the current year and into the future. Meanwhile, staff morale is excellent with the staff team looking forward to next year's challenges.

The above examples show that we are achieving our objectives to: enable young people to belong, contribute and thrive; to provide High Quality Service in a safe environment where young people can develop and reach their full potential during their transition from childhood to adulthood; and to meet the needs of our local community.

ANNUAL REPORT

The Association produces annually in book form a comprehensive review of its activities, reporting and administrative details and copies are available from the Chief Executive. It is intended to publish the report for 2019/20 on the Association's website in due course.

PUBLIC BENEFIT STATEMENT

The Trustees consider they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

FINANCIAL REPORT

Our statement of Financial Activities for the year shows a net income of £28,700 (2017: £77,164), a reduction from the previous year. However, last year's income included a one-off legacy of £105,558 and excluding this, all other income streams have improved or remained level. Grant income has increased to £423,384 (2017: £268,775), partly due to the expansion of the AAA project. This has also meant that costs have increased in line with extended activity- including higher staff costs due to extra staff being employed to work on these projects, and increased direct costs due to purchase of equipment etc.

The Management team have again proved resourceful in a year where the economic climate has dictated a general decline in charitable grants and donations. We therefore consider the Net Income to be in line with previous years and future expectations. The Charity's Net Asset position has again been maintained at a comfortable level with growth in our assets, which will improve in 2018 due to the prospective acquisition of a further property from St Peter's Church.

RISK MANAGEMENT

The main risks that we see facing us are as follows:

- Safety and safeguarding of our service users, staff members and volunteers;
- Loss of senior management and staff;
- Recruitment, retaining and training of Board members;
- Payments to the Pension fund as highlighted in the accounts; and
- Donations, grants and income generation.

The management and Board are very aware of the consequences of the risks highlighted above and therefore continue to manage accordingly through approved sub-groups, policies and monitoring.

The Trustees consider that the migration of risks faced by the Association is carried out primarily by:

- ensuring adequate controls exist over key financial systems;
- regular consideration of the operational and business risks faced by the Association;
- the appointment to the Board of Trustees of a range of professionally qualified individuals able to advise on potential risks and the steps required to mitigate those risks; and
- consideration by staff of best practice from information provided by the YMCA England & Wales

RESERVES POLICY

During the financial year, the Finance Committee has prepared and presented to the Board a Finance Policy that has been approved and implemented. This policy covers all aspects of asset protection and procedure. The Reserves Policy has therefore been included within this document requiring the Charity to aim for a cash position held in a separate account, to the value of three months' worth of cash flow. We are currently meeting this ambition and intend to maintain this position. Unrestricted reserves at 31 March 2019 amounted to £616,019.

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are responsible for preparing the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the Association's state of affairs and of the incoming resources and applications of resources for the year. In preparing those financial statements the Trustees are required to

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue to business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association 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 Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

As far as the directors are aware, they have taken all necessary steps to make the auditor aware of any relevant audit information and to establish that they are aware of that information, and there is no relevant audit information of which the company's auditor is unaware.

AUDITOR

The auditors, Mazars LLP, were appointed during the year and have expressed their willingness to continue in office.

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board on 13th November 2019 and signed on their behalf by:

Colin Briley

Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

We have audited the financial statements of Sutton Coldfield Young Men's Christian Association (the 'charity') for the year ended 31 March 2019 which comprise the statement of Financial Activity, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 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 in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION**

Use of the audit report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Ian Holder (Senior Statutory Auditor)

For and on behalf of Mazars LLP

45 Church St

Birmingham

B3 2RT

Chartered Accountants and Statutory Auditor

Date

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2019**

	Notes	Unrestricted Fund £	Restricted Fund (Capital) £	Restricted funds (Other) £	Total Funds 2019 £	Total Funds 2018 £ (Note 19)
Income from:						
Donations, grants and legacies	2	39,364	35,934	40,846	116,144	178,618
Acquisition of 34 St. Peters Close		325,000			325,000	
Charitable activities:						
Grants	2	73,985		482,424	556,409	423,384
Young people, youth and children's activities		130,109			130,109	139,854
Accommodation		140,330			140,330	120,260
Total income		708,788	35,934	523,270	1,267,992	862,116
Expenditure on:						
Costs of raising voluntary funds		22,180	-	-	22,180	24,631
Charitable activities	3	364,904	16,211	523,270	904,385	808,785
Total Expenditure		387,084	16,211	523,270	926,565	833,416
Net income for the year		321,704	19,723	-	341,427	28,700
Transfer between funds	13.2	121	-	(121)	-	-
Net movements in funds		321,825	19,723	(121)	341,427	28,700
Reconciliation of funds						
Total funds brought forward		294,194	695,348	1,163,118	2,152,660	2,123,960
Total funds carried forward		616,019	715,071	1,162,997	2,494,087	2,152,660

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

BALANCE SHEET
As at 31 March 2019

Company number: 02685808

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	6		2,953,622		2,613,105
Current assets					
Debtors	7	52,392		73,799	
Cash at bank and in hand		69,676		107,691	
		<u>122,068</u>		<u>181,490</u>	
Creditors: amounts falling due within one year	8	(204,030)		(197,410)	
Net current assets			(81,962)		(15,920)
Total assets less Current liabilities			2,871,660		2,597,185
Creditors: Amounts falling due after more than one year	9		(377,573)		(444,525)
Net assets			2,494,087		2,152,660
Funds					
Unrestricted fund			616,019		294,194
Restricted funds:					
Capital	13		715,071		695,348
Other	13		1,162,997		1,163,118
			<u>2,494,087</u>		<u>2,152,660</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard 102 (effective January 2015).

The financial statements were approved by the Board of Trustees on 13th November 2019 and signed on its behalf by:

Leon Stephens

John Day

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

STATEMENT OF CASH FLOWS
For the year ended 31 March 2019

	Notes	2019 £	2018 £
Net cash provided by operating activities	15	<u>61,824</u>	<u>34,271</u>
Cash flows from investing activities:			
Purchase of fixed assets		<u>(39,124)</u>	<u>(48,885)</u>
Net cash used in investing activities		<u>(39,124)</u>	<u>(48,885)</u>
Cash flows from financing activities:			
Cash inflow from new borrowing		-	-
Repayment of borrowing		<u>(47,775)</u>	<u>(46,670)</u>
Interest paid		<u>(12,940)</u>	<u>(13,409)</u>
Decrease in cash provided by financing activities		<u>(60,715)</u>	<u>(60,079)</u>
(Decrease)/Increase in cash in the year		<u><u>(38,015)</u></u>	<u><u>(74,692)</u></u>
 Reconciliation of net cash flow to movement in funds for the year ended 31 March 2019			
		2019 £	2018 £
(Decrease)/Increase in cash for the year		<u>(38,015)</u>	<u>(74,692)</u>
Net cash brought forward		<u>107,691</u>	<u>182,383</u>
Net cash carried forward	16	<u><u>69,676</u></u>	<u><u>107,691</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. ACCOUNTING POLICIES

Status of Association

The Association is a charity and a company that is limited by guarantee and does not have a share capital. In the event of the company being wound up, the liability of members is limited to £1. The Directors of the Association are the Trustees named in the "Legal and Administrative Details".

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

(a) Basis of preparation and assessment of going concern

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Companies Act 2006.

(b) Going concern

The financial statements have been prepared on a going concern basis which assumes that the Sutton Coldfield YMCA will continue in operation and existence for the foreseeable future. The Board have considered a period of at least 12 months from the date of approval of these financial statements and have raised no significant concerns. On this basis the board consider it appropriate that the accounts are prepared on a going concern basis.

Income recognition

All income is recognised once the Association has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured accurately.

Voluntary income received by way of grants and donations are recognised as above except where the income is subject to conditions that require a level of performance before the Association is entitled to the funds, when the income is deferred and not recognised until either those conditions are met, or the fulfilment of those conditions is wholly within the control of the Association and it is probable those conditions will be fulfilled in the reporting period.

Grants specifically for the provision of services to be provided as part of the charitable activities or services to beneficiaries are accounted for on the basis of amounts receivable for the year.

Rents are included in the period to which they relate. Income from membership activities is accounted for on the basis of the amounts receivable for the year.

Interest arising on cash balances is included when receivable and the amount can be measured reliably by the Association. This is normally upon notification of the interest paid or payable by the bank.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. If the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Association.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal constructive obligation committing the Charity to the expenditure, it is probable that settlement is required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis, inclusive of any value added tax which cannot be recovered.

Costs of raising funds comprise the costs associated with attracting voluntary income. Expenditure on Charitable activities comprises those costs incurred by the Association in the delivery of its activities. Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead cost of the central function, is apportioned by way of an estimate, based on staff time, of the amount attributable to each activity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. Accounting policies (continued)

Fixed assets and depreciation

Freehold property is included in the financial statements at valuation in 2010 and subsequent additions at cost. No depreciation has been provided on freehold buildings on the grounds that it would be immaterial. The Association has a policy and practice of regular maintenance and repair such that the estimated residual value of building is considered not less than valuation.

Due to the extensive work undertaken at the Sutton Coldfield site and subsequent significant increase in value, the Board of Trustees has agreed an accounting policy concerning the freehold property to apply from 1 April 2017. In order to ensure that the carrying amount does not differ materially from the fair value of the asset the Board has agreed an annual revaluation policy whereby the asset will be professionally revalued on a tri-annual basis with the Board assessing the carrying value on an annual basis. Gains or losses on revaluation will be recognised in the Statement of Financial Activities. A professional valuation of the freehold property was prepared for CAF Bank Limited in July 2016 to enable the Association to agree loan facilities with CAF Bank. The Board has assessed the fair value of the freehold property at 31 March 2019 and are satisfied this is not less than the carrying value in the financial statements.

Other fixed assets are depreciated in order to write off the cost of the assets over their anticipated useful lives at the following annual rates:

Computer equipment	33 1/3%	Straight Line
Furniture, fixtures and fittings	15%	Reducing Balance
Motor vehicle	25%	Straight line

Taxation

The Charity is exempt from taxation on income and gains on investments.

Fund accounting

Funds held by the Association are either:

- Unrestricted general funds: these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees; or
- Restricted funds: these are funds that can only be used for particular restricted purposes within the objects of the Association. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension contributions

The Association participates in a multi-employer pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to the Association.

As described in note 14 the Association has a contractual obligation to make pension deficit payments of £14,193 per annum over the period to April 2027, accordingly this is shown as a liability in note 14 to these accounts. In addition, the Association is required to contribute £2,392 per annum to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

The Association also makes contributions under stakeholder pension arrangements for some members of staff. The defined contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. Accounting policies (continued)

Financial instruments

The Association 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 except for bank loans which would be subsequently measured at amortised cost using the effective interest method.

2. INCOME

	Unrestricted Fund £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Donations and grants				
Children in Need	-	23,353	23,353	38,413
Comic Relief	-	53,427	53,427	56,852
Lottery-Minibus purchase	-	-	-	35,751
Other	39,364	-	39,364	47,602
	<u>39,364</u>	<u>76,780</u>	<u>116,144</u>	<u>178,618</u>
2018	47,602	131,016	178,618	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Charitable activities				
Donations and grants:				
Lloyds Bank Foundation	-	10,209	10,209	12,775
Royal Sutton Coldfield Town Council	-	-	-	8,000
YMCA Central	1,000	-	1,000	1,000
Baily Thomas Charitable Fund	-	-	-	9,000
Nationwide Building Soc. Community Grants	-	14,583	14,583	-
Sheldon Trust	10,000	-	10,000	10,000
Mencap	49,985	-	49,985	31,910
Heart of Birmingham Community Foundation	-	-	-	5,500
Youth Exchanges	-	38,604	38,604	-
Morrisons-re minibus	-	21,600	21,600	-
YMCA Germany	10,000	-	10,000	2,500
Birmingham City Council – Streetwise	-	-	-	3,788
Birmingham City Council – Short Breaks	-	46,568	46,568	49,320
Birmingham City Council – DV	-	8,000	8,000	-
Co-op Community Investment Foundation	-	3,263	3,263	-
Erasmus	-	49,509	49,509	60,000
NHS Release	-	24,382	24,382	26,388
Lottery AAA	-	202,896	202,896	174,164
Sport England AAA	-	48,476	48,476	24,974
Learning Through Landscapes	-	-	-	4,064
Percy Bilton Trust-new boiler	-	9,334	9,334	-
Screwfix Foundation-new boiler	-	5,000	5,000	-
Kingstanding Regeneration Trust	3,000	-	3,000	-
	<u>73,985</u>	<u>482,424</u>	<u>556,409</u>	<u>423,384</u>
2018	67,910	355,474	423,384	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Accommodation	Young People, Youth & Children's Activities	Total 2019	Total 2018
	£	£	£	£
Direct Costs:				
Staff costs	57,175	306,066	363,241	313,916
Other direct costs	67,789	125,989	193,778	138,490
Establishment costs	9,423	80,916	90,339	76,227
Depreciation of tangible fixed assets	9,046	14,561	23,608	18,300
	<u>143,433</u>	<u>527,533</u>	<u>670,966</u>	<u>546,933</u>
Allocation of Support Costs	36,741	196,678	233,419	261,852
	<u>180,174</u>	<u>724,211</u>	<u>904,385</u>	<u>808,785</u>

Analysis of Support Costs and Governance Costs:

	2019 £	2018
Support Costs:		
Salaries	178,514	189,378
Office Costs	15,360	16,255
Levies	3,785	1,892
VAT not recovered	1,841	-
Bank charges	2,173	1,984
Bank interest	12,940	13,409
Sundry	6,267	10,175
	<u>220,880</u>	<u>233,093</u>
Governance costs		
Auditors remuneration	5,500	8,500
Other professional charges	7,039	20,259
	<u>12,539</u>	<u>28,759</u>
Total support and governance costs	<u>233,419</u>	<u>261,852</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

3. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Staff costs were as follows:

	2019 £	2018
Salaries	497,278	458,206
Social security	34,919	31,545
Pension	9,423	13,543
	<u>541,620</u>	<u>503,294</u>

Employee benefits to Senior Management Team members

During the year to 31 March 2019 payments to key members of the management team in the form of salary and pensions amounted to £67,912. This compares with £67,912 for the prior year.

One member of staff received emoluments, including benefits but excluding pension contributions, in the band £60,000 to £69,999 in the year (2018: one).

The average number of employees excluding directors, analysed by function was:

	2019 No	2018 No
Administration	5	5
Charity Work	33	31
Cleaning	2	2
	<u>40</u>	<u>38</u>

4. NET INCOME FOR THE YEAR

	2019 £	2018 £
This is stated after charging:		
Depreciation	23,607	18,301
Bank interest	12,940	13,409
Auditors' remuneration:		
Audit fee	5,500	7,000
	<u>42,408</u>	<u>38,710</u>

5. RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

The Trustees all give freely their time and expertise without any form of remuneration or other benefit. None of the Trustees (2018: nil) received expenses during the year.

The Association engaged on normal commercial terms Olive Branch 2 (Laurel Rd Community Sports Centre) to provide room hire and services in respect of the AAA project. Their charges amounted to £5,853 (2018: £6,247). Joy Scott-Thompson, a Trustee and Director of the Association, is a partner in the organisation Olive Branch 2. There were no amounts owing to Olive Branch 2 at 31 March 2019 (2018: nil). Otherwise the Trustees are not aware of any other related party transactions requiring disclosure.

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

6. FIXED ASSETS

	Freehold Property £	Furniture Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost or valuation					
At 1 April 2018	2,537,487	154,289	30,151	41,880	2,763,807
Additions	325,000	13,629	-	25,495	364,124
At 31 March 2019	2,862,487	167,918	30,151	67,375	3,127,931
Depreciation					
At 1 April 2018	-	107,608	29,651	13,443	150,702
Charge for the year	-	9,046	500	14,061	23,607
At 31 March 2019	-	116,654	30,151	27,504	174,309
Net book amounts					
At 31 March 2019	2,862,487	51,264	-	39,871	2,953,622
At 31 March 2018	2,537,487	46,861	500	28,437	2,613,105

All tangible fixed assets are used for direct charitable purposes.

The freehold property was re-valued by Aitchison Raffety, Property Consultants, on 30 June 2010 at open market value with vacant possession. A professional valuation of the freehold property was prepared for CAF Bank Limited in July 2016 to enable the Association to agree loan facilities with CAF Bank. The Board has assessed the fair value of the freehold property at 31 March 2018 and are satisfied this is not less than the carrying value in the financial statements.

The historic cost of the freehold property and net book amount at 31 March 2019 is £1,455,606 (2018: £1,455,606).

7. DEBTORS

	2019 £	2018 £
Value added tax recoverable	10,062	11,653
Prepayments	6,865	10,136
Fees, grants and other income	35,525	52,010
	52,392	73,799

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans (secured)	47,775	46,670
Trade creditors	24,939	18,269
Pension liabilities	16,210	15,672
Social security and other taxes	9,187	7,633
Accruals	12,233	10,169
Deferred income	91,942	92,984
Other creditors	1,744	6,013
	<u>204,030</u>	<u>197,410</u>

DEFERRED INCOME

	£
Balance as at 1 April 2018	92,984
Amount released to income earned from charitable activities	(92,984)
Amount deferred in year	91,942
	<u>91,942</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Secured bank loans – 1-2 years	47,775	46,670
Secured bank loans – 2-5 years	143,325	140,010
Secured bank loans – more than 5 years by instalments	89,138	142,438
Pension liabilities (note 14)	97,335	115,407
	<u>377,573</u>	<u>444,525</u>

10. SECURED DEBTS

The bank loan is secured by the way of a First Legal Charge over the Association's freehold property, George Williams House.

A Second Legal Charge over the Association's freehold property, George Williams House, together with a fixed charge over other assets, is held by the Sutton Coldfield Charitable Trust in respect of a grant of £666,910 towards refurbishment and improvement of the premises at George Williams House.

11. CONTINGENT LIABILITY

In respect of the grant of £666,910 received from the Sutton Coldfield Charitable Trust referred to in note 10, there is a contingent liability to repay the grant or a proportion of the grant if, within ten years, the Association disposes of the property or grants a lease of the whole or substantially the whole for a term of five years or more, or the property ceases to be used by the Association for charitable purposes. At 31 March 2019 the liability would be £400,146 (2018: £466,837), however the trustees have indicated that the Association has no intention of ceasing to use the property in the foreseeable future.

12. CAPITAL COMMITMENTS

There was no future capital expenditure contracted for but not provided in the financial statements at 31 March 2019 (2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

13. FUNDS**13.1 Restricted funds**

The restricted funds comprise the following unexpired balances of donations and grants held on trust to be applied for specific purposes:

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Capital funds					
Sutton Coldfield Charitable Trust	666,910	-	-	-	666,910
Lottery-minibus purchase	24,438	-	(8,750)	-	19,688
Morrisons-re minibus	-	21,600	(5,311)	-	16,289
Percy Bilton Trust-new boiler	-	9,334	(1,400)	-	7,934
Screwfix Foundation-new boiler	-	5,000	(750)	-	4,250
Total Capital Funds	695,438	35,934	(16,211)	-	715,071
Other Funds					
Property	1,081,881	-	-	-	1,081,881
Grants from Birmingham City Council	81,237	54,568	(54,568)	(121)	81,116
Children in Need	-	23,353	(23,353)	-	-
Comic Relief	-	53,427	(53,427)	-	-
Erasmus	-	49,509	(49,509)	-	-
NHS Release	-	24,382	(24,382)	-	-
Lottery AAA	-	202,896	(202,896)	-	-
Youth Exchanges	-	38,604	(38,604)	-	-
Lloyds Bank Foundation	-	10,209	(10,209)	-	-
Nationwide Building Soc.	-	14,583	(14,583)	-	-
Community Grants					
Sport England AAA	-	48,476	(48,476)	-	-
Co-op Community Investment Foundation	-	3,263	(3,263)	-	-
Total Other Funds	1,163,118	523,270	(523,270)	(121)	1,162,997
Total Restricted Funds	1,858,466	559,204	(539,481)	(121)	1,878,068

Capital fund

The unexpired balance on the grant from the Sutton Coldfield Charitable Trust is a grant received by 31 March 2016 towards the improvement and refurbishment of premises at George Williams House which has been capitalised as additions to freehold property.

Other funds

The property funds consist of:

- (i) A surplus of £366,468 arising on the disposal of previously held freehold properties at High Street and Jockey Road, Sutton Coldfield. The funds representing the reserve are held by the Association, as trustee, on trusts which require that the funds can only be used in the purchase of other land and buildings or investing the same, for the Association. The Association's freehold properties are held by the Association as trustee, in the event of a sale.

SUTTON COLDFIELD YOUNG MEN'S CHRISTIAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

- (ii) A proportion of the surplus arising on disposal of freehold land at George Williams House amounting to £22,577.
- (iii) A surplus of £692,836 on revaluation of freehold property held under restricted funds. The surplus was calculated by apportioning the overall gain of £1,080,750 arising on the revaluation of the freehold property on 30 June 2010 between the initial cost of the properties held in the restricted funds at the date of revaluation, £403,393 and the total cost for the properties held at that date, £629,250.

The grants from Birmingham City Council were towards the refurbishment of the meeting rooms at George Williams House, the purchase of a motor vehicle and the purchase of computer equipment. The unexpired balance is after charging annual depreciation where appropriate. At 31 March 2019 the fund balance consisted of expenditure on property, £48,425 (2018: £48,425) and other assets £32,691 (2018: £32,812).

13.2 All funds

At 31 March 2019 all funds were represented by the following assets:

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
Fixed assets	1,075,554	1,878,068	2,953,622
Current assets	122,068	-	122,068
Current liabilities	(204,030)	-	(204,030)
Long term liabilities	(377,573)	-	(377,573)
	<u>616,019</u>	<u>1,878,068</u>	<u>2,494,087</u>

The transfer between funds is annual depreciation provided on fixed assets held in the restricted funds.

14. PENSION SCHEME COMMITMENTS

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

The most recent completed three year valuation was at 1 May 2017. 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 3.75% and 2.25% respectively, the increase in pensions in payment of 3.35%, 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 £141.2 million. This represented 81% 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 Association and accordingly the pension deficit is now 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 2017 showed that the YMCA Pension Plan had a deficit of £33.6 million. The Association has been advised that it will need to make monthly contributions of £1,148 from 1 May 2018, with an annual increment of 3% each year thereafter. 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 9 years commencing 1 May 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

14. PENSION SCHEME COMMITMENTS (CONTINUED)

The Association has provided for the obligation to make pension deficit payments as follows:

	2019 £	2018 £
Due in one year	<u>16,210</u>	<u>15,672</u>
Due in one to two years	16,210	15,672
Due in two to five years	32,420	31,344
Due after five years	<u>48,705</u>	<u>68,391</u>
Total after more than one year	<u>97,335</u>	<u>115,407</u>
Total liability	<u><u>113,545</u></u>	<u><u>131,079</u></u>

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net movement in funds	341,427	28,700
Depreciation charge	23,607	18,301
Bank interest paid	12,940	13,409
(Increase)/Decrease in debtors	21,407	(21,428)
(Increase)/Decrease in creditors excluding bank loans	(12,557)	(4,711)
Donation of asset (34 St Peters Close)	<u>(325,000)</u>	<u>-</u>
Net cash provided by operating activities	<u><u>61,824</u></u>	<u><u>34,271</u></u>

16. ANALYSIS OF NET FUNDS

	2019 £	2018 £
Cash at bank and in hand	<u><u>69,676</u></u>	<u><u>107,691</u></u>

17. COMMITMENTS AND CONTINGENCIES**Operating lease commitments**

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2019 £	2018 £
Within one year	3,036	3,036
After one year but not more than five years	3,301	6,337
More than five years	-	-
	<u><u>6,337</u></u>	<u><u>9,373</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

18. PENSION

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,193 (2018: £13,543).

19. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted Fund £	Restricted Fund (Capital) £	Restricted funds (Other) £	Total Funds 2018 £
Income from:					
Donations, grants and legacies	2	47,602	35,751	95,265	178,618
Charitable activities:					
Grants	2	67,910		355,474	423,384
Young people, youth and children's activities		139,854			139,854
Accommodation		120,260			120,260
Total income		375,626	35,751	450,739	862,116
Expenditure on:					
Costs of raising voluntary funds		24,631	-	-	24,631
Charitable activities	3	350,733	7,313	450,739	808,785
Total Expenditure		375,364	7,313	450,739	833,416
Net income for the year		262	28,438	-	28,700
Transfer between funds	13.2	143	-	(143)	-
Net movements in funds		405	28,438	(143)	28,700
Reconciliation of funds					
Total funds brought forward		293,789	666,910	1,163,261	2,123,960
Total funds carried forward		294,194	695,348	1,163,118	2,152,660