

YMCA Essex
(formerly known as Chelmsford Y.M.C.A.)
(Limited by Guarantee)
Charity Registration No. 1054070
Company No. 3171206

YMCA ESSEX

**REPORT OF THE TRUSTEES AND
AUDITED**

CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

Page	CONTENTS
1	STRUCTURE AND ADMINISTRATIVE INFORMATION <ul style="list-style-type: none">• Board of Trustees• Key Staff• Contact details• Main advisers
2	OUR AIMS AND OBJECTIVES
3	THE TRUSTEES' AND STRATEGIC REPORTS FOR 2017/18 <ul style="list-style-type: none">• Our Services• Operations• Partnerships• Communications• Finance• Future Plans• Conclusion
7	GOVERNANCE AND MANAGEMENT <ul style="list-style-type: none">• Articles of Association• Board of Trustees• Committees• Management and Organisational Structure• Strategic Planning• Risk Management• NHF Code of Governance• Related Parties• Remuneration
11	FINANCIAL INFORMATION <ul style="list-style-type: none">• Funds and Reserves Policy• Subsidiary Undertakings• Fixed Assets• Responsibility of the Board in relation to the Accounts• Auditors
13	REPORT OF THE INDEPENDENT AUDITORS
15	CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
16	CONSOLIDATED BALANCE SHEET
17	CONSOLIDATED STATEMENT OF CASH FLOWS
18	NOTES TO THE FINANCIAL STATEMENTS

STRUCTURE AND ADMINISTRATIVE INFORMATION

Board of Trustees

<i>Name:</i>	<i>Office:</i>	<i>Serving on Committees:</i>
Mr R McFarland	Chair	Policy, Developments, Finance, Remuneration
Mrs H Robinson	Vice Chair	Developments, Remuneration
Revd R Gibbs		Vice Chair, Developments
Mr D Clarke	Treasurer & Company Secretary	Finance, Remuneration, Developments, Policy, Audit
Canon E Carter (resigned 18/7/18)		
Mrs Rosalind Webb (resigned 4/9/17)		Developments, Policy
Mrs Joanna Eley		Developments
Ms Dawn Bostock		Finance, Audit
Mrs Dahlia Wilkinson		Finance, Audit
Mrs Elspeth Johnson		Policy
Miss Beverley Strutt		Finance, Audit
Sir Bob Russell		Developments
Mr Daren Vythilingum		Policy

In addition Board meetings were usually attended by:

Lady Rosemary Ruggles-Brise DL	President
Revd Chris Poulard	Vice President

Chelmsford City Council was represented at Board meetings in a non-voting capacity by:
Cllr Philip Wilson Chelmsford City Council

Senior Management Staff

Chief Executive Revd A Drake

Contact details

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Telephone	01245 355677
Website	www.ymcaessex.org.uk
Email	reception@ymcaessex.org.uk
Registered charity number	1054070
Company number	3171206

Main advisers

Auditors: THP Limited
Chartered Accountants and
Statutory Auditors
34-40 High Street
Wanstead
London E11 2RJ

Bankers: Barclays Bank PLC
Barclays Business Centre
40-41 High Street
Chelmsford CM1 1BG

HR Consultants:
HR Initiatives Ltd
18 The Hedgerows
Stevenage, Herts
SG2 7BW

Cater Allen Bank
9 Nelson Street
Bradford
BD1 5AN

YMCA Essex (formerly known as YMCA Chelmsford, and changed officially to YMCA Essex in January 2016) is one of more than 100 YMCAs who constitute the YMCA Federation in England and Wales, working with young people and transforming lives throughout the country. The Federation is in turn part of the YMCA World Alliance, founded in London in 1844, and now reaching 58 million people in 119 countries worldwide, working with young men and women regardless of race, religion or culture.

YMCA Essex is a Christian charity rooted in local communities and dedicated to meeting the needs of children, young people and their families, and supporting them so they can develop and grow and achieve their goals in life. Our premises at YMCA Chelmsford and YMCA Colchester provide the base for our activities across a wide and expanding area of Essex. We influence the lives of thousands of young people every year through a diverse range of programmes and services focused on their individual needs.

We have established a trading company, 'YMCA Essex (Trading) Ltd.' [company number 03041709]. The trading company is a wholly owned subsidiary of the charity, and carries out a number of activities which create a surplus to be used for the benefit of the charity. In December 2016 YMCA Colchester merged into YMCA Essex, bringing its assets, services and staff to become a part of the wider YMCA Essex offer for the county.

OUR AIMS AND OBJECTIVES

In summary, the objectives of YMCA Essex are to enable Christians to come together with people of other faiths and of none in order to help to young people with their personal, social, educational and spiritual development, to provide accommodation, and to improve their health and wellbeing through the services and support we can offer them.

These objectives have shaped the Mission, Strapline, Values and Priorities of YMCA Essex:

Our Mission:

***Building Lives, Hope and Futures
for children, young people and families***

Our Strapline:

'Unleashing Potential'

Our Values:

- ***Christian*** – inspired by faith, hope and love
- ***Caring*** – here to help everyone we can
- ***Creative*** – always looking for new opportunities
- ***Committed*** – aiming for excellence in all we do

Our Priorities:

1. ***SERVICES:*** Strengthen and expand our ability to meet the needs of children, young people and families.
2. ***OPERATIONS:*** Implement an adaptive, resilient, sustainable operational model which optimises resources for our Mission.
3. ***PARTNERSHIPS:*** Pursue opportunities for partnership working to increase our impact and effectiveness.
4. ***COMMUNICATIONS:*** Raise our profile and build support for the vital work we do from communities, beneficiaries, donors, funders and commissioners.

We have taken account of the Charity Commission's Public Benefit Guidance in establishing and reviewing our aims and objectives, and in planning and resourcing our activities to achieve them. We offer services to children, young people and families across a wide area of Essex. We work with all people, while focusing especially on those with greater needs and fewer opportunities. We help to give children a better start in life. We provide positive activities, safe places to go, role models and mentors for young people. We help families through difficult

times at home, in school, in local communities, in finding somewhere to live, and in work and finding work. We aim to make a real difference to the lives of all those with whom we work.

THE TRUSTEES' REPORT FOR 2017/18

Our Services

We provided a wide range of services, projects and activities during 2017/18 which included:

- **Community Youth Groups:** YMCA Essex provides detached, drop-in and outreach youth work in a variety of locations to provide positive activities for young people to build healthy relationships, to be mentored, and to engage in community programmes which reduce anti-social behaviour and promote improved intergenerational engagement. These include the Great Baddow Drop-in Centre and youth project (now run from the Bell Centre), supported by the parish council, and a youth project in Galleywood supported by the parish council, and in Springfield. The YMCA also runs youth provision in other areas with a variety of partner agencies such as Essex County Council's Youth Service, the Myland (alongside St Michaels) and Dedham groups in Colchester, and we are continuing to expand this vital work, for example we recently started a new group in Brightlingsea. Through our community and outreach youth programmes we have thousands of engagements with young people in Essex across the year.
- **Soc Ack (Social Acknowledgement):** This youth group is for young people aged 8-11 and offers a fun, safe environment for young people to come along and meet with their friends. There are fun activities and fundraising opportunities for projects, and residential trips which the young people enjoy hugely. This group splits into a junior and senior youth group of on average 15-20 young people each week. Parents have given feedback about seeing a positive change in their child from attending this provision, in particular their self-esteem and confidence.
- **Young Carers:** Through family circumstances, young people can often become primary carers for siblings or frail relatives, which can put them under severe pressure. Every Wednesday at our YMCA Chelmsford premises we work with 15-30 young carers, and in the week during schools' sessions with ages ranging from 8-18 years old. They have mentoring support to enable their lives to grow and develop positively, and to build friendships. This work is vital in enabling young people to have encouragement and a positive time together, and also incorporates home visits, home emergency and crisis plans, school holiday respite activities, and attendance for some at the annual Young Carers' Festival.
- **Sound Sessions:** Music has long been recognised as a highly effective way to improve the development, relationships and confidence of young people, and our weekly music youth club offers young people personal music tuition as well as instruments, room and space for bands to practise, and periodic 'gig nights'. The dedicated team of volunteers and staff run the sessions by offering holistic support and guidance (not just of the musical variety) that leads to very positive outcomes.
- **Schools Family Support Work:** Our Family Support service works with children, young people and families to make positive impacts and improve children's attendance, behaviour, wellbeing and life inside school and out. We work with 7 secondary, 21 primary and 2 Nursery schools in the Chelmsford and Maldon areas for both prevention and intervention. The team also runs workshops at the request of the schools, including on the subjects of team building, communication, self-esteem, self-confidence, homelessness and world poverty. In 2017/18, the Family Support team worked with hundreds of children, young people and their families through referrals from schools. Every referral resulted in improved attendance, behaviour and academic achievement. Each child or young person completes a Y-Web soft outcomes monitoring tool which reports on improved emotional, social, domestic and academic wellbeing.
- **Alternative Education:** We undertook a second year of Alternative Education provision for 4 young people who were having great problems at mainstream school. Although presented with highly challenging behaviour we were pleased we were able to offer a stable, committed and professional educational environment that has helped them work towards attaining recognised qualifications.
- **Out of School and Holiday Clubs:** Our Out of School Clubs continue to be very popular – in 2017/18 we ran 13 clubs supporting 7 schools with over 225 children each week being cared for, located in areas of need for a service to enable parents to work. Children are cared for in the right environment to enable them to engage positively in school, complete homework, and grow their skills and experience to derive the greatest benefit from their education. We run Holiday Clubs each year during school holidays, with families registering for these events from across their local region. Each club has a different theme, with activities and outdoor

trips for the children to enjoy. They are a fun and developmental way for children to spend part of their long summer break, and are valued by both working and non-working parents and carers. Between out of school, holiday clubs and the Nursery (see below) we engage with 375 local families.

- **Nursery:** Our Nursery is open every weekday from 7:30am-6pm for children aged 3 months to 5 years, and it served approx. 60 children and their families each week in 2017/18. We have achieved a green RAG rating and a "Good" Ofsted rating for the Nursery, which is well deserved. Staff have worked hard in the last year to offer the best service we can for our children and families, and it's great to see our hard work paying off. Our modern kitchen enables us to prepare the best possible meals for the children, and we have achieved a 5 star rating for three years running. We have been successful in obtaining the Ofsted grade to accept two-year funded children, and we are one of only five nurseries in Chelmsford able to offer this service. We are one of the few nurseries to welcome social services referrals.
- **Community Placements:** We offered community placements for 3 Social Work Students, to provide them with an overview of the variety of youth provision and schools work we deliver in the community. The Social Work Students shadowed and worked alongside Family Support Coordinators in their schools as well as youth groups run by the YMCA.
- **Housing:** At YMCA Colchester, we have 44 flats available for rent to homeless young people aged between 16 – 25. They can stay at YMCA Colchester for up to two years and during their tenancy are given support in many areas to help them move onto independent living successfully. Support includes budgeting, claiming benefits, getting into, staying at and finishing college, finding work and sustaining a job, coping with mental and physical ill health, sexual health advice, rebuilding relationships with family and many other things. During 2017/18 we had 30 new tenants move in and of those that left 94% moved on positively either to social housing or back to family and friends. We also engaged with tenants in a variety of ways from healthy eating and communal cooking, including a Christmas dinner for all to design workshops where t shirts were designed by tenants, sewn by tenants and modelled by tenants. Sporting-wise we have joined a local football league and a group of current and ex-tenants play every week which is great for teamwork and ongoing, consistent engagement. This has now been running for a year and is our longest single form of resident engagement ever. One of our tenants won the Colchester half marathon and has competed in many other races, including one with Mo Farah. In addition to all of this we have secured the services of a trainee psychodynamic counsellor who is studying for her MA and offers free counselling every week for up to three tenants at a time. Finally, our funding model has had to change and we now claim through Housing Benefit for the intensive housing management we provide, meaning rental income may look markedly increased compared to previous years.

STRATEGIC REPORT

Operations

Following the merger of YMCA Essex and YMCA Colchester, which completed on 1 December 2016, we have been able to restructure the management team to offer a more effective service. This restructure was largely implemented during 2017/18.

All departments are led by a Manager / Deputy Manager team which gives us the flexibility and resilience we need, and contributes to providing cost-effective services.

We continue to move toward a comprehensive cloud-based IT platform that increases security whilst decreasing cost.

We recently were accredited by Investors in People and will work over the next three years for Silver or Gold standing.

Through our Policy Committee we maintain an up-to-date governance framework for YMCA Essex, and in 2017/18 continued the process of comprehensive, systematic policy review and revision. The most significant operational development for the charity in 2017/18 was to prepare for a change in ownership of the YMCA Colchester housing project for which YMCA Essex is the managing agent, from YMCA England & Wales to a housing association which will be known in future as 'Y Housing'. Y Housing is a new Housing Association made up of 7 participating YMCAs each with properties that offer supported accommodation. Each YMCA has a director on its Board of Trustees and

a special buyback arrangement means that the YMCAs can purchase the properties within the next 25 years should they become Registered Providers with the Homes and Communities Agency. This has been an exciting development which has ensured the long-term viable future for YMCA supported accommodation in Colchester.

GDPR compliance has been of paramount importance, and we have engaged the services of IT firm TCS to transfer our data solution to Microsoft SharePoint to help with this and offer advice and support. We have also thoroughly reviewed how we handle and control data including ensuring staff know their role in this and the protocols required. Unlike many charities we do not have a large dataset of financial supporters as we operate like something more akin to a social enterprise, however we will be GDPR compliant in this area too.

Partnerships

Working with local YMCAs across the country, our national federation of YMCAs in England and Wales has published the Federation Strategy 2017-2021. We endorse the strategy's vision for the YMCA to be:

- **An inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive**

and the strategy's Key Work Areas and Outcomes, to be delivered by YMCA England and Wales, and local YMCAs, working together:

- **Support & Advice** – We believe every person should have someone they can trust;
- **Accommodation** – We believe every young person should have a safe place to stay;
- **Family Work** – We believe every family should have the support they need to develop and lead more fulfilling lives;
- **Health & Wellbeing** – We believe everyone should enjoy the benefits of good health and wellbeing;
- **Training & Education** – We believe every young person should be able to fulfil their potential.

The Chairs and Chief Executives of all the YMCAs in the East of England meet regularly to identify opportunities for us to achieve these aims and objectives in our region, to share experiences and ideas, and to look at how we can extend our impact and generate more resources through working in partnership.

YMCA Essex maintains good working relationships with councillors and senior staff at Essex County Council, Chelmsford City Council, and other local authorities where we are active, and we appreciate their strong support for the YMCA. We were particularly grateful to the City Council for their £25,000 grant in 2017/18.

The YMCA Charity Shops in Chelmsford and Colchester sadly closed in 2016 due to difficulty in finding an affordable retail unit. The growth of Chelmsford as a prosperous city has meant this will continue to be a problem, but there may exist opportunity for future development in this area if the right premises become available. Some monies were submitted recently relating to the YMCA Charity shop in Frinton-on-Sea.

As already stated, the previous close strategic partnership between YMCA Essex and YMCA Colchester (sharing a Chief Executive, Finance Manager, Executive Assistant, and day-to-day working practices) led to merger in December 2016. In parallel with this process we have strengthened our relationship with other YMCAs in the region and anticipate increased partnership working with them.

We work closely with 'Churches Together' in the Chelmsford region, and maintain Christian links where we can, including links with the Cathedral (one of their staff acts as chaplain to YMCA Essex). The Mylands Youth Club in Colchester is also connected with the Parish Church there.

It should be noted that although the schools and parish councils we work with are, strictly speaking, our clients, in practice we are like partners working together to achieve the same goals. This is borne out in how our pricing for such services typically represents 'at cost' models, and how we sometimes work closely to co-design bespoke solutions.

Communications

One of our key strategic priorities is to raise our profile and build support for the vital work we do from communities, beneficiaries, donors, funders and commissioners.

We have continued to carry out the rebrand in line with the toolkit provided by YMCA England and Wales, and this has been especially helpful in the refresh at Colchester. For 2018/19 we aim to employ a Communications and Events Officer who will not only help us develop a cutting edge feel for our print and electronic media, but also better communicate our mission to existing and new stakeholders.

We publicise our activities through our website including our online news and e-newsletter which goes out monthly to all subscribers, through leaflets, through the media, and in face-to-face contacts with people through our services, projects and events, and through networking with businesses, public and voluntary sectors. Relationships with local media have led to positive YMCA coverage.

We are developing stronger links with local churches, with our CEO Andy Drake preaching to a number of local congregations on behalf of the YMCA, and we now host a Cathedral youth group on Mondays, and benefit from a weekly visit from their youth chaplain who interacts with staff and service users alike.

Finance

Our principal sources of income are the Nursery, the Out of School Clubs, and to a lesser extent the Family Support Programme, all of which operate on a social enterprise model (all surplus is ploughed back into the local work).

The end of year outturn was an overall surplus on unrestricted general funds of £164,473 which was an excellent result in the circumstances. The most important factor was the consistent income from the Nursery and Out of School Clubs as well as savings in operational costs in comparison with the increase in income.

The Trustees recognise that our financial position is particularly dependent on the level of take-up of our income-generating services, and it will therefore be important for us to maintain and expand those services in the coming years, and to attract further income from additional sources especially to support the costs of our charitable youth work.

Future Plans

There are more than 400,000 children and young people aged 19 or under living in Essex. The potential need and demand for the services provided by the YMCA is therefore huge. Our strategy for the future aims to expand our services both geographically and numerically to meet more of these needs, working alongside other leading YMCAs wherever possible.

Following a joint vision morning with Senior Managers and the Board of Trustees a strategy for the future was agreed; Community Hubs would be organically developed across Essex out of which YMCA services and staff could share our particular blend of professionalism and kindness. These Community Hubs could offer and/or be connected to a diverse range of services, from our core work of childcare, youthwork and housing to newer projects involving information, advice and guidance giving, intervention for those facing domestic abuse, outward bound community development work, and so much more. From 2018-2030 these hubs will grow opportunistically and intentionally. We start by looking to Braintree in the latter part of 2018 (where we can focus the resources of neighbouring services in Chelmsford and Colchester) and go from there.

To undergird the strategy a Capacity Building Plan (CBP) has been put into effect, made possible by a £60k donation and matched funding from YMCA Essex reserves. The CBP primarily pays for improved staffing levels over the next three years, allowing for the Youth Services Manager to take on Business Development, the Deputy Youth Services Manager to move further into Youth Management, the employment of a new Communications and Events Officer, and some other minor changes.

Alongside these plans we continue to communicate well with our neighbouring YMCAs and seek collaborative work where possible. We remain open to strategic partnerships with other like-minded organisations, and are aware that exciting developments can come from the most unlikely of places.

Conclusion

2017/18 was a very good year for YMCA Essex. The unique services we offer to children, young people and families continued to be of the highest standard, and operated smoothly despite the challenges. We ended the year in a much stronger financial position than envisaged by the budget, and we can look to the future with confidence and excitement at the opportunities we have, to expand and improve the work we do as a newly merged, County-wide charity through strategic planning, and responding to opportunities.

Above all though, it is when we hear the many individual stories of children and young people whose lives have been completely turned around by their involvement with the YMCA that we know we are making a real difference.

None of this would be possible without all the wonderful people who work for and support the YMCA. We would like to pay tribute to our paid and voluntary staff under the leadership of our Chief Executive, Andy Drake. We have a very professional, talented and committed staff team at the YMCA, who is highly valued for everything they are achieving.

We wish to thank our Treasurer, Finance Committee and the Finance Team for their dedication and hard work in financial planning, monitoring and control for YMCA Essex.

We are very grateful to all the organisations and individuals who have made donations, whether large or small, enabling us to undertake many vital projects and activities. We record our thanks to our fellow Board Members and all the other volunteers who give so much to the YMCA.

Finally, we thank all those who have supported us in prayer and in action during the last year.

GOVERNANCE AND MANAGEMENT

Articles of Association

YMCA Essex is a charitable private company limited by guarantee, incorporated on 12 March 1996 and registered as a charity on 26 March 1996. The charity is governed by its Articles of Association adopted on 25 January 2016.

YMCA Essex's charitable objectives, in full, are:

- To advance the Christian faith, including by:
 - (a) promoting a Christian environment inspired and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of none can work together for the transformation of communities; and
 - (b) enabling people of all ages and in particular young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ;
- To provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- To provide or assist in the provision of education for people of all ages and in particular young people, with the object of developing their physical, mental or spiritual capacities;
- To relieve or assist in the relief of people of all ages and in particular young people, who are in conditions of need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstances; and
- To provide residential accommodation, including Social Housing, for people of all ages and in particular young people, who are in need, hardship or distress by reason of their social, physical, emotional, spiritual or economic circumstances.

Board of Trustees

The Board of Trustees meets quarterly. The Board's purpose is to:

- nurture and uphold the founding Christian principle of the YMCA, and work at all times towards achieving the charity's Objects for the public benefit;

- promote and support the vision, mission, values and objectives of YMCA Essex, and of the national and international YMCA movement, in collaboration with other YMCAs;
- maximise the impact of YMCA Essex in achieving its Mission, which is **'to build lives, hope and futures for children, young people and families throughout Essex'**;
- provide strategic leadership for the work of the YMCA, determining vision and strategy, and directing, controlling and scrutinising the charity's activities;
- ensure the effective and proper governance and accountability of the YMCA in accordance with its Articles of Association and with all legal and financial regulations and requirements;
- ensure that the human, financial and property resources of the YMCA are managed responsibly and effectively, and are only used for the purposes of the charity.

The Board currently has eleven voting Members who are listed on page 1 (the maximum permitted is fifteen). Trustees serve on the Board for a maximum of three consecutive three-year terms before taking a break of at least one year.

The Board seeks a balance between experienced members and those who can offer new thinking and independent challenge. Within that overall approach, it also seeks to include people with diverse backgrounds and attributes, with connections to communities in different parts of Essex, and with a mix of skills, abilities, knowledge and experience in relevant areas. The Board welcomes applications at any time from people who may be interested in serving as Board Members. When it wishes to strengthen or diversify its membership, it will actively seek candidates with the required skills and attributes by a range of means which may include open advertisement. All Trustees must be willing to nurture and uphold the founding Christian principle of the YMCA, and to work towards achieving the charity's objectives. Following a successful recruitment process, the Board will appoint a new Trustee as a Board Member.

New Trustees receive an induction programme, to familiarise them with the services and operations of YMCA Essex and the work of the wider YMCA movement, and to equip them to fulfil their responsibilities as Trustees for governance, strategy, finance, communication and representing the YMCA effectively. Further training and development opportunities are made available to all Trustees on an ongoing basis.

Committees

The Board has appointed six Committees to assist the work of the Board and the YMCA:

- Developments Committee
- Finance Committee
- Audit Committee
- Policy Committee
- Remuneration Committee
- Board Appeals Committee

Management and Organisation Structure

A scheme of delegation is in place and the Board has delegated the day to day responsibility for the YMCA's services and operations to the Chief Executive and his/her Managers. The Managers each lead one of the four main areas of Childcare & Corporate Services, Youth Work, Housing, and Finance. There are over 70 staff and over 20 volunteers working for YMCA Essex in the charity and its subsidiary trading company.

The key responsibilities of the YMCA's Chief Executive are to:

- Provide Christian leadership to the YMCA in accordance with our vision, mission, values, passion and Christian ethos.
- Develop and implement strategies to maximise the impact of the YMCA in building lives, hope and futures for children, young people and families.
- Provide strategic and operational leadership for the diverse and multi-faceted activities of the YMCA, ensuring effective and legally compliant management, administration and development.

- Support the Board of Trustees to develop and implement strategic direction.
- Support the Board in increasing collaboration with other YMCAs.
- Provide leadership of all development and fundraising activities and the implementation of long-term viability and sustainability.
- Lead staff teams in providing a professional service in all areas of activity ensuring that the YMCA's aims and purposes are fully met.
- Represent the YMCA externally, promoting their services and values.
- Maintain and develop the relationship of the YMCA with the wider YMCA Movement.

Strategic Planning

The vision morning in early 2018 has given rise to an organic strategy of developing community hubs around Essex. The Capacity Building Plan made possible by a generous donation and the match funding from YMCA Essex's reserves gives the first important impetus in making this possible. The goal is to have YMCA Essex community hubs across the county by 2030 sharing a diverse range of services and support pursuant to the needs of their local areas. Each quarter the Board will reflect on the map of Essex and representation on it of developing YMCA Essex services and hubs, and then 'course-correct' accordingly to ensure the 2030 goal has the best chance of being achieved.

Risk Management

The Board has a Risk Management Policy, incorporating a Risk Register, and both are reviewed and updated annually. Our strategic risk analysis shows that the YMCA currently faces 7 risks classed as Major within the methodology we have adopted:

- Ensure the **Quality and Competitiveness** of our services and projects.
- **Safeguard the Wellbeing** of the Children, Young People and Adults we work with.
- Ensure the **Health and Safety** of all involved in our activities.
- Increase our **Income** and improve our **Financial Position**.
- Recruit, develop and retain the **Staff and Volunteers** we need.
- Safeguard **Business Continuity** for all our services and operations.
- Respond and adapt well to **Changes and New Opportunities**.

There are also 5 risks classed as Moderate:

- Ensure the effective **Governance** of the YMCA.
- **Fulfil our Mission** to children, young people and families.
- Implement effective **Financial Controls** and **Fraud Prevention** measures.
- Manage staff fairly and effectively through our **Human Resources** policies and procedures.
- Maintain a good **Reputation and Public Support** for the YMCA.

The Board is satisfied that the above risks are being consistently and effectively managed and mitigated, and considers that the resultant risk profile is acceptable and appropriate in relation to the YMCA's objectives and responsibilities. The nature of the services which the YMCA provides to beneficiaries, and the environment within which the charity operates, mean that we will inevitably face risks due to factors beyond our control. We are willing to tolerate higher risks if they can be justified by the potential benefits for children, young people and families.

NHF Code of Governance and YMCA England and Wales Governance and Financial Viability Standard

The Board has been working to comply with the National Housing Federation code of governance to better prepare YMCA Essex to become a Registered Provider of Housing in due course. The most recent self-assessment indicates that we satisfy over 90% of the code criteria, and it is felt that even if we do not become a Registered Provider for some time, achieving this high level of compliance with the Code has strengthened the governance and capability of the organisation.

YMCA Essex also complies with the YMCA England and Wales Governance and Financial Viability Standard.

Related Parties

YMCA Essex is a part of the national federation of YMCAs in England and Wales, and is affiliated to YMCA England and Wales, which is the national organisation responsible for representing and equipping local YMCAs. We support its vision and overall strategy and seek to play our part in delivering them in a way which is appropriate for our local context. Our Vice President Revd Chris Poulard is also a Vice President of YMCA England.

YMCA Essex (Trading) Ltd. is a wholly owned subsidiary of the YMCA Essex charity, whose principal activities are the provision of Nursery care and Out of Schools work, and room hire facilities. The Directors of the trading company are the Board Members who are on the charity's Finance Committee together with the Chief Executive and the Finance Manager.

YMCA Essex receives an annual grant for work in the Chelmsford area from Chelmsford City Council, which has non-voting representation at Board meetings. We contract with a large number of schools for our Out of School clubs and Schools Work programmes.

Remuneration and Remuneration Levels

Remuneration' includes salary, pension, leave, and other financial and non-financial employment benefits.

The Board has a Remuneration Policy which is reviewed annually to provide a framework for all remuneration decisions. It has a Remuneration Committee which is responsible for deciding the remuneration of the Chief Executive and the Managers reporting directly to him. Our Chief Executive received a salary of £55,089.

The Trustees do not receive any remuneration.

The overall objective of our Remuneration Policy is to offer fair remuneration to attract, develop and retain staff with the right abilities, skills and competencies to lead, manage, support and/or deliver our services to the community.

In deciding on pay levels for staff, the following factors may be taken into account. These factors are not exclusive and any decision will inevitably include an element of discretion on the part of the Trustees.

Our Strategy and how this may affect the number and nature of roles for which we need to employ or recruit staff:

- Affordability in relation to the YMCA's financial position.
- The need to recruit and retain high quality, competent staff.
- The level of responsibilities associated with each job role, in relation to leadership, decision-making, service delivery, staff supervision, management of finance and resources, contacts and relationships, and job context.
- Any significant increase in responsibilities.
- The type of skills, experience and competencies that each job role needs, and their link to remuneration.
- Information about comparable roles and pay rates particularly in the charitable sector.
- The wider remuneration package including leave and other benefits.
- The need for consistency and fairness in remuneration between jobs within YMCA Chelmsford.
- Equality of pay amongst men and women doing similar roles.
- The rate of inflation and other economic factors.
- The minimum wage.
- The likely effect on the charity's reputation and public standing.

The Board of Trustees do not receive any remuneration. None of our staff receives an annual salary in excess of £60,000.

FINANCIAL INFORMATION

Funds and Reserves Policy

The charity has various funds available to finance its activities. These are as follows:

(a) Unrestricted funds

These are funds expendable at the discretion of the Trustees in furtherance of the charity's objects. Such funds may be designated by the Board for a particular project of purpose. The general fund is the amount of unrestricted funds that has not been designated. The Board have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commissioners and they believe that the charity should hold financial reserves because:

- it has no guaranteed regular funding, and income from donors and grant making bodies is its main source of funding which is inevitably subject to fluctuation;
- it requires protection against, and the ability to continue operating, despite catastrophic or lesser but damaging events.

The Trustees believe that the minimum level of general funds should be the equivalent of three months' essential operating costs calculated and reviewed annually. As at the end of March 2018, the general fund stood at £201,795.

(b) Designated funds

As shown on the balance sheet, the majority of unrestricted funds are held in the form of fixed assets, and as such these funds are not available to support other activities. The Board have therefore created a designated fund representing the value of fixed assets held (see note 12). In addition, the Board have also recognised the problems caused when existing funding for projects finishes and until new sources of funding are secured. We have created a Youth Work fund to allow projects to continue during these periods. The replacement fund is monies set aside for on-going maintenance and improvement of the building.

(c) Restricted funds

These are funds donated for specific purposes that are still within the wider objects of the charity. The major restricted funds held at the year-end are for Childcare and Youth Services.

Other funds represent donations for the activities as detailed in note 13 to these accounts. The Board consider that YMCA Essex has sufficient assets to meet its obligations as they arise on both the designated and restricted funds.

(d) Investment Policy

Where possible all restricted funds are placed on short-term deposit. Due to the nature of our activities, these funds may be required at short notice.

Subsidiary Undertakings

The accounts consolidate the results of the charity and its subsidiary YMCA Essex (Trading) Ltd. whose principal activities are the provision of Nursery care and Out of Schools work, and room hire facilities. Its performance is shown in note 3 to these accounts and is considered to be satisfactory. The other subsidiary included in the consolidated accounts is YMCA Chelmsford Limited, which is dormant. This company was dissolved on 27 February 2018.

Fixed Assets

Movements in the fixed assets are detailed in note 7.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of YMCA Essex for the purposes of Companies Act 2006) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are required to:

- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and its subsidiaries and enable them to ensure that the financial statements comply with the Companies Act 2006;
- prepare financial statements for each financial year which give a true and fair view of the state of the group's and the charity's affairs and of the surplus or deficit for the year, and to comply with the regulations made by the Secretary of State.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', issued by the Charity Commission;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are also responsible for safeguarding the assets of the charity and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

The Trustees confirm that so far as they are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and that they have taken all steps to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Liability of Members

The liability of members is limited to £1 in the event of the charity being wound up with insufficient funds to meet its debts.

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution to appoint the auditors THP Limited and authorising the Trustees to agree their remuneration will be proposed at the Annual General Meeting.

Signed on behalf of the Board of Trustees

Roger McFarland
Chair

Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA ESSEX (Limited by Guarantee)

Opinion

We have audited the consolidated financial statements of YMCA Essex (Limited by Guarantee) (the 'charitable company') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and Group's affairs as at 31 March 2018 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.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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.

Responsibilities of trustees

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

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.

Shahid Hameed ACA FCCA (Senior Statutory Auditor)
For and on behalf of THP Limited
Chartered Accountants and Statutory Auditors
34-40 High Street
Wanstead
London E11 2RJ

Date:.....

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted General	Designated	Restricted	2018 Total	2017 Total
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds:						
Rental income		518,318	-	-	518,318	151,752
Voluntary income		17,734	-	-	17,734	18,746
Grants receivable		25,000	-	-	25,000	20,000
Activities for generating funds		1,621	-	-	1,621	25,955
Income of trading subsidiary	3	732,723	-	-	732,723	751,714
Interest receivable		1,847	-	-	1,847	912
Incoming resources from charitable activities:						
Youth training		183,311	-	-	183,311	154,141
Project funding & Childcare		-	17,382	1,151	18,533	53,685
Miscellaneous Income		4,196	3,000	-	7,196	6,126
TOTAL INCOMING RESOURCES		1,484,750	20,382	1,151	1,506,283	1,183,031
RESOURCES EXPENDED						
Cost of generating funds:						
Expenditure of trading subsidiary	3	548,253	-	-	548,253	559,375
Charitable activities:						
Childcare services		83,274	-	11,399	94,673	63,589
Youth services		570,815	-	-	570,815	438,687
Other services		-	-	-	-	5,452
Premises		108,335	-	-	108,335	73,512
		762,424	-	11,399	773,823	581,240
Governance costs		9,600	-	-	9,600	17,570
TOTAL RESOURCES EXPENDED	4	1,320,277	-	11,399	1,331,676	1,158,185
Net INCOMING/(OUTGOING) RESOURCES		164,473	20,382	(10,248)	174,607	24,846
Transfer (from)/to Designated Funds	12	2,977	(2,977)	-	-	-
Transfer from Colchester YMCA	12&13	-	-	-	-	56,380
Pension deficit transfer	12	(163,250)	163,250	-	-	-
Colchester YMCA at merger	17	-	-	-	-	54,438
FUND BALANCES AT 1 APRIL 2017		197,595	815,508	78,389	1,091,492	955,828
FUND BALANCES AT 31 MARCH 2018		201,795	996,163	68,141	1,266,099	1,091,492

All recognised gains and losses are included above.

YMCA Essex
(Limited by Guarantee)
Charity Registration No. 1054070
Company No. 3171206
CHARITY AND CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2018

Notes	Restricted		Unrestricted		TOTAL 2018		TOTAL 2017	
	£	£	£	£	Charity £	Group £	Charity £	Group £
FIXED ASSETS								
Tangible assets	7	-	834,096	834,096	834,096	836,492	836,556	839,469
Investments	8	-	2	2	2	-	3	-
			<u>834,098</u>	<u>834,098</u>	<u>834,098</u>	<u>836,492</u>	<u>836,559</u>	<u>839,469</u>
CURRENT ASSETS								
Stocks	9	-	-	-	-	-	-	-
Debtors	10	-	168,600	168,600	168,600	106,703	341,289	56,522
Cash at bank in hand		68,141	433,327	501,468	501,468	607,417	202,871	527,775
		<u>68,141</u>	<u>601,927</u>	<u>670,068</u>	<u>670,068</u>	<u>714,120</u>	<u>544,160</u>	<u>584,297</u>
CREDITORS:								
Amounts falling due within one year	11(a)	-	(113,707)	(113,707)	(113,707)	(153,913)	(148,543)	(185,348)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>68,141</u>	<u>1,322,318</u>	<u>1,390,459</u>	<u>1,390,459</u>	<u>1,396,699</u>	<u>1,232,176</u>	<u>1,238,418</u>
CREDITORS:								
Amounts falling due after more than one year	11(b)	-	(130,600)	(130,600)	(130,600)	(130,600)	(146,925)	(146,925)
NET ASSETS		<u>68,141</u>	<u>1,191,718</u>	<u>1,259,859</u>	<u>1,259,859</u>	<u>1,266,099</u>	<u>1,085,251</u>	<u>1,091,492</u>
FUNDS HELD								
Unrestricted funds:								
General fund		-	195,554	195,554	195,554	195,554	136,916	136,916
Retained in subsidiary		-	-	-	-	6,241	-	6,241
Colchester YMCA	17	-	-	-	-	-	54,438	54,438
Total		<u>-</u>	<u>195,554</u>	<u>195,554</u>	<u>195,554</u>	<u>201,795</u>	<u>191,754</u>	<u>197,595</u>
Designated fund		-	277,775	277,775	277,775	277,775	97,120	97,120
Restricted funds	13	68,141	-	68,141	68,141	68,141	78,389	78,389
Revaluation reserve	7	-	718,388	718,388	718,388	718,388	718,388	718,388
		<u>68,141</u>	<u>1,191,718</u>	<u>1,259,859</u>	<u>1,259,859</u>	<u>1,266,099</u>	<u>1,085,251</u>	<u>1,091,492</u>

These accounts were approved by the Board and authorised for issue on and signed on its behalf by:

.....
Mr D Clarke – Treasurer

.....
Mr R McFarland – Chair

YMCA Essex
(Limited by Guarantee)
Charity Registration No. 1054070
Company No. 3171206

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash Generated from Operating Activities (see below)	85,456	60,997
Cash Flows from Investing Activities		
Interest received	1,847	912
Purchase of tangible fixed assets	(7,661)	(1,506)
Colchester Cash transferred on merger	-	129,999
	<u>(5,814)</u>	<u>129,405</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>79,642</u>	<u>190,402</u>
Cash and cash equivalents at the beginning of the year	527,775	337,373
Total cash and cash equivalents at the end of the year	<u>607,417</u>	<u>527,775</u>

*Reconciliation of Net Incoming Resources to Cash
Generated from Operating Activities*

	2018 £	2017 £
Net incoming resources	174,607	24,846
Add back depreciation charge	10,638	7,310
Deduct interest income shown in investing activities	(1,847)	(912)
Decrease/(increase) in stock	-	1,596
Decrease/(increase) in debtors	(50,182)	52,353
Increase/(decrease) in creditors	<u>(47,760)</u>	<u>(24,196)</u>
Net cash generated from operating activities	<u>85,456</u>	<u>(60,997)</u>

Note to Statement of Cash Flows

The company's cash flow statement reflects the presentation requirements of FRS 102, under which the cash flow statement reconciles to cash and cash equivalents.

YMCA Essex
(Limited by Guarantee)
Charity Registration No. 1054070
Company No. 3171206
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. GENERAL INFORMATION

YMCA Essex is a company limited by guarantee and incorporated and domiciled in England. The Charity's registered number and registered office address can be found on page 1.
The functional and presentation currency of YMCA Essex and its subsidiaries is the pound sterling.

2. ACCOUNTING POLICIES

i. Basis of preparing the financial statements

The financial statements of the charity, 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', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except for the non-depreciation of freehold property as explained in note 2.iv. The Trustees have decided to adopt the presentation of the Statement of Financial Activities rather than the Income and Expenditure account as required by the Companies Act as they consider that this more accurately reflects the operations of the charity.

ii. Basis of Consolidation

These financial statements incorporate the audited financial statements of YMCA Essex and its subsidiary undertakings, YMCA Essex (Trading) Ltd. and YMCA Chelmsford Limited, consolidated on a line by line basis. Common expenses have been allocated between the operations based upon estimated use.

The results of the trading subsidiary are detailed in note 3 to the financial statements. The consolidated balance sheet represents the total assets and liabilities of the group. As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent charity is not presented as part of these financial statements. The balance sheets of the Charity and Group are both shown on page 15.

iii. Charitable Expenditure and Support Costs

The YMCA Essex operates a childcare, youth and community centre based at its premises in Victoria Road. Colchester branch provides supported accommodation for young people. Charitable expenditure comprises the costs of programmes operated. No valuation is placed on the services provided by volunteers without whom the programmes could not operate. Support costs comprise the costs of running the building less those costs allocated to the trading activities. Management and administration expenses comprise administrative costs and common overheads, which cannot be allocated to specific activities.

Governance costs are expenditure incurred on the operation of the charity as opposed to any specific activity and comprise Board expenses and audit costs.

iv. Fixed Assets and Depreciation

The Trustees consider that the freehold property is maintained in such a way that the residual value is at least equal to its net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the profit and loss account. The trustees perform annual impairment reviews in accordance with the requirements of the Financial Reporting Standard 102 to ensure that the recoverable amount is not lower than the carrying value.

Other fixed assets are stated at cost less depreciation. The cost of furniture and equipment valued over £1,000 is written off over seven years on a straight-line basis from the date of acquisition, Electrical equipment is written off over four years on a straight-line basis.

v. Covenants and Donations

Covenants and donations are recognised when received. No account has been taken of funds pledged but not received at the balance sheet date. Funds with restricted use are separately identified and are shown in Note 13 to the Accounts.

vi. Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at this value less any provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

- vii. Debtors
No general provision is made against debtors. Known bad debts are written off and specific provision is made for any considered doubtful of collection.
- viii. Grants and Legacies Receivable
Grants and legacies receivable are recognised at the earlier of:
i) Receipt
ii) When the conditions have been met
Where these relate to specific items of expenditure these have been included within restricted funds.
- ix. Taxation
The Charity is exempt from tax on income and gains within Section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.
- x. Pension Contributions
The charity contributes to a defined contribution scheme on behalf of its employees. Contributions made during the year are shown in note 5.
- xi. Unlisted Investments
Investments are stated at historical cost.
- xii. Related Party Exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the group companies.

2. INCOMING RESOURCES

The statement of financial activities contains details of all the income of the charity. All income arose in the United Kingdom.

Rental income is accounted for on a receivable basis.

Income received from charitable activities represents mainly Youth Training funds and is accounted for on a receivable basis.

The turnover of trading subsidiary represents the gross value of goods sold and services provided. Fees billed in advance for nurseries and out of school clubs are deferred according to the expected start date of the services provided.

3. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

YMCA Essex has a wholly owned trading subsidiary "YMCA Essex (Trading) Ltd." (company registration number 03041709) which is incorporated in the United Kingdom. This operates the childcare programme and room hire facilities on behalf of the charity. Its results for the year ended 31 March 2018 and 2017 are detailed below. The operating profits for both years have been covenanted to YMCA Essex.

PROFIT AND LOSS ACCOUNT

	2018	2017
	£	£
Turnover	732,723	751,714
Cost of sales	414,501	454,323
Gross profit	318,222	297,391
Administrative costs	133,752	105,052
Operating profit	184,470	192,339
Amount covenanted to YMCA Essex	(184,470)	(192,339)
Retained profits at 1 April 2017	6,241	6,241
Retained in subsidiary at 31 March 2018	6,241	6,241
	=====	=====
AGGREGATE SHARE CAPITAL AND RESERVES	£6,244	£6,244
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

The other wholly owned subsidiary is YMCA Chelmsford Limited (company number 09859415), which is dormant with aggregate share capital and reserves of £1 only. The company was dissolved on 27 February 2018.

Both subsidiaries' registered office address is the same as the Registered Office address of YMCA Essex.

4. RESOURCES EXPENDED

	Trading Subsidiary £	Charitable Activities £	Governance £	2018 Total £	2017 Total £
Costs directly allocated to activities					
Staff costs	330,040	325,471	-	655,511	620,254
Other direct costs	84,461	22,430	-	106,891	118,877
Support costs allocated to activities					
<u>Premises</u>					
Heat and light	9,066	18,640	-	27,706	12,490
Repairs	23,425	35,636	-	59,061	8,215
Rates and insurance	-	21,322	-	21,322	15,731
Cleaning	8,756	24,241	-	32,997	23,044
Rent	-	91,352	-	91,352	30,664
<u>Administration</u>					
Office salaries and pensions	82,089	156,256	-	238,345	235,185
Pensions admin charge	-	2,572	-	2,572	11,667
Training	1,585	16,707	-	18,292	5,420
IT costs	-	14,929	-	14,929	13,033
Stationery and advertising	2,504	3,752	-	6,254	8,316
Telephone and licences	3,903	5,855	-	9,758	8,808
Fees and licences	-	14,072	-	14,072	10,217
Sundry expenses	-	387	-	389	(702)
Depreciation	516	10,122	-	10,638	7,310
Legal & professional fees	-	4,830	-	4,830	5,585
Redundancy	-	-	-	-	5,784
Fundraising costs	-	2,249	-	2,249	-
Bad Debt	1,908	-	-	1,908	717
Merger expenses	-	-	-	-	9,570
Auditors remuneration	-	-	9,600	9,600	8,000
Cyclical Provision	-	3,000	-	3,000	-
TOTAL RESOURCES EXPENDED	548,253	773,823	9,600	1,331,676	1,158,185
	=====	=====	=====	=====	=====

Premises costs are allocated on floor area and Administration costs are allocated on estimated usage.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	2018		2017	
	Charity £	Group £	Charity £	Group £
5. STAFF COSTS				
Wages and salaries	441,170	832,376	360,715	790,649
Social Security costs	33,206	53,130	27,151	50,467
Pension contributions	10,922	10,922	11,667	11,667
	485,298	896,428	399,533	852,783
	=====	=====	=====	=====

No employee earned over £60,000 per annum.

The average number of employees was 71 (2017 total was 70).

In addition the charity uses the services of 20+ volunteers. No valuation has been made for the assistance upon which the YMCA Essex relies to provide many of its services. A further 13 volunteers act as trustees on the Board. No Trustees have received any remuneration or have had expenses reimbursed.

Key management includes the Trustees, the Chief Executive and members of the senior management team. The compensation paid to key management for employee services is £183,418 (2017: £187,893).

	2018 £	2017 £
6. NET INCOMING RESOURCES		
This is stated after charging		
Depreciation (owned assets)	10,638	7,310
Auditors' remuneration – audit	5,000	4,750
– other services	4,600	3,250
	=====	=====

7. GROUP FIXED ASSETS				Total
	Premises £	Furniture & Equipment £	Computer Equipment £	£
Cost or Valuation				
At 1 April 2017	825,000	36,293	29,432	890,725
Additions	-	7,661	-	7,661
Disposals	-	-	-	-
At 31 March 2018	825,000	43,954	29,432	898,386
Depreciation				
At 1 April 2017	-	24,935	26,321	51,256
Charge for the year	-	7,527	3,111	10,638
Eliminated on disposals	-	-	-	-
At 31 March 2018	-	32,462	29,432	61,894
Net book value				
At 31 March 2018	825,000	11,492	-	836,492
	=====	=====	=====	=====
At 31 March 2017	825,000	11,358	3,111	839,469
	=====	=====	=====	=====

The property was fair valued, as a one off revaluation, on the basis of existing use value at 31 March 2016, by Elwell Taylor, Chartered Surveyors of 65 New London Road, Chelmsford, Essex CM2 0ND. On transition to FRS 102 the charity has taken the revalued amount as the deemed cost and therefore further revaluations are not required.

Cost or valuation at 31 March 2018 is represented by:

	£
Valuation in 2016	718,388
Cost	<u>179,998</u>
	898,386
	=====

YMCA Essex
(Limited by Guarantee)
Charity Registration No. 1054070
Company No. 3171206
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. INVESTMENTS – Unlisted at Cost

The company owns two ordinary shares, being all the Issued Share Capital of YMCA Essex (Trading) Ltd., a company registered in England. This company operates the trading activities as described in Note 3.
The company also owned one ordinary share, being all the issued share capital, of a dormant company "YMCA Chelmsford Limited", a company registered in England. The company was dissolved on 27 February 2018.

	2018		2017	
	Charity £	Group £	Charity £	Group £
9. STOCKS				
Consumables	-	-	-	-
Goods for sale	-	-	-	-
	-----	-----	-----	-----
	=====	=====	=====	=====

The replacement cost of stocks is not materially different from their cost.

10. DEBTORS

	£	£	£	£
Trade debtors	56,487	71,184	18,236	28,306
Other debtors	-	-	3,109	3,109
Prepayments	35,519	35,519	25,107	25,107
Due from group undertakings	76,594	-	294,837	-
	-----	-----	-----	-----
	=====	=====	=====	=====

There are no debtors falling due after more than one year.

11. (a) CREDITORS: Amounts falling due within one year

	£	£	£	£
Trade creditors	21,370	25,124	22,146	25,794
Other creditors and accruals	76,012	112,464	110,072	143,229
Pension deficit	16,325	16,325	16,325	16,325
	-----	-----	-----	-----
	=====	=====	=====	=====

11. (b) CREDITORS: Amounts falling due more than one year

	£	£	£	£
Pension deficit	130,600	130,600	146,925	146,925
	-----	-----	-----	-----
	=====	=====	=====	=====

12. DESIGNATED FUNDS

	Balances 31 March 17	Income	Colchester Transfer	Net Transfer	Transfer	Balances 31 March 18
	£	£	£	£	£	£
Fixed assets fund	839,469	-	-	(2,977)	-	836,492
Replacement fund	53,293	-	-	-	-	53,293
Informal Youth Work	10,040	-	-	-	-	10,040
IT – Replacement fund	4,134	-	-	-	-	4,134
Youth Work Central	32,275	-	-	-	-	32,275
Friends of Chelmsford	1,721	-	-	-	-	1,721
YMCA						
Colchester reserve	37,826	3,000	-	-	-	40,826
Land rental income	-	17,382	-	-	-	17,382
Pension deficit	(163,250)	-	-	-	163,250	-
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	=====	=====	=====	=====	=====	=====

The trustees have decided to transfer the whole pension deficit to the general funds.

YMCA Essex
(Limited by Guarantee)
Charity Registration No. 1054070
Company No. 3171206
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

The fixed assets fund represents the value of the general funds held within in the fixed assets (including revaluation reserve) used by the charity, as such these are not available to support the other activities. The replacement fund is monies set aside for ongoing maintenance and improvements of the building. The Board have also designated funds to allow for the continuation of youth work projects once existing funding sources run out and to allow time for securing future funding.

13. RESTRICTED FUNDS

The charity has received the following amounts, which may only be used for specific purposes.

	Balances 31 March 2017 £	Income £	Salaries £	Materials/other £	Balances 31 March 2018 £
Childcare services	16,667	1,151	-	(11,399)	6,419
Youth services	44,226	-			44,226
Other funds	8,944	-	-	-	8,944
Grants	8,552	-	-	-	8,552
TOTAL ALL FUNDS	78,389	1,151	-	(11,399)	68,141
	=====	=====	=====	=====	=====

Childcare Services

This funding includes donations that are specifically identified for Childcare.

Youth Services – Youth Work

There are a number of Restricted Funds within the Youth Work area, funding derives from various sources including Essex County Council, Chelmsford City Council, Parish Councils and specific grants and trusts. These funds enable us to provide a wide range of services and programmes for young people. These funds are monitored in various ways and their restriction is that funds can only be used for the specific purpose for which they were granted.

Grants

Grants include Mayor fund and other grants received.

Other funds

These are either small amounts of funds or items that do not align with the previous definitions.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2018 are represented by:

	UNRESTRICTED		RESTRICTED	TOTAL FUNDS
	General £	Designated £	£	£
Fixed Assets	-	836,492	-	836,492
Net assets/(liabilities)	348,720	12,746	68,141	429,607
	348,720	849,238	68,141	1,266,099
	=====	=====	=====	=====

YMCA Essex
(Limited by Guarantee)
Charity Registration No. 1054070
Company No. 3171206
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. PENSION COMMITMENT

Accounting Policy:

YMCA Essex participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA Essex. The employer contributions in relation to the pension plan are determined by the Trustees based on advice from a qualified actuary and charged to the Statement of Financial Activities as made.

Pension Note:

YMCA Essex participated in the 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 YMCA Essex and at the year end these were invested in De-risking Solutions.

The most recent completed three year valuation was as at 1 May 2017. Placing a value of the plan's liabilities requires a number of assumptions to be made about the future. Such assumptions include how long members might live after retiring and the return that will be generated by the plan's assets. After taking advice from the plan actuary the Trustee of YMCAs in England has adopted what they consider to be 'prudent' funding assumptions, having regard to the Employer's covenant and to financial market conditions. The Trustee's assumptions are prudent in that they are deliberately cautious about the future. Using such assumptions increases the target funding reserves and reduces the risk that the combination of the accumulated assets and future contributions will prove to be inadequate. The result of the valuation showed that the actuarial value of the assets was £141.2m. This represented 81% of the benefits that had accrued to members.

The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of 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. YMCA Essex has been advised that it will need to make monthly contributions of £1,464 from 1 May 2017. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 9 years.

The Company has capitalised the pension deficit liability and these accounts include a provision of £146,925 (2017: £163,250) which represents the 9 remaining years.

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

16. ULTIMATE CONTROL

The charity is ultimately controlled by the Board of Trustees.

17. MERGER OF COLCHESTER YMCA

With effect from 1 December 2016 Charity Commission formally approved the merger of Colchester YMCA (Charity Registration Number 1060583, Company Registration Number 03267205, Registered Office at Williamson House, 159 Magdalen Street, Colchester, Essex CO1 2JX) with YMCA Essex. Colchester YMCA had been removed from the Register of Charities. On 1 December 2016 the assets and liabilities of Colchester YMCA transferred into YMCA Essex at net book values.

18. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

There are no specific judgements, apart from those involving estimates as detailed below, that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates can differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of tangible assets and note 2 for the depreciation policy in respect of each class of asset.