

**The Central Young Men's
Christian Association**
and subsidiary undertakings

Registered Charity Number 213121
Company registered number 119249



**Trustees' Report and
consolidated financial statements
for the year ended 31 March 2016**

Trustees' Report and consolidated financial statements

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Trustees' Report (incorporating the Group Strategic Report)

The Trustees have pleasure in submitting their annual report (incorporating the Group Strategic Report) together with the audited financial statements for the year ended 31 March 2016. The financial statements have been prepared in accordance with the accounting policies set out in Note 3 of the financial statements and comply with the Association's Articles, applicable accounting law and requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102.

Reference and administration details

Charity number: 213121

Company number: 119249

Registered office: 112 Great Russell Street, London, WC1B 3NQ

Trading Names

Central YMCA
YMCA Training
YMCA Awards
YMCAfit
YMCA Club

Associated Websites

www.ymca.co.uk
www.ymcatraining.org.uk
www.ymcaawards.co.uk
www.ymcafit.org.uk
www.ymcaclub.co.uk

Auditor: Nexia Smith & Williamson, 25 Moorgate, London EC2R 6AY

Bankers: Royal Bank of Scotland, 62/63 Threadneedle Street, London, EC2R 8LA

CCLA Investment Management Ltd, 85 Queen Victoria Street, London, EC4V 4ET

Solicitors: Bircham Dyson Bell, 50 Broadway, London, SW1H 0BL

Property advisors: Montagu Evans, 5 Bolton Street, London, W1J 8BA

Investment managers: Rothschild Private Management Ltd, New Court, St Swithin's Lane, London, EC4N 8AL

Patron

Our Patron is The Lord Remnant, CVO, FCA.

Directors and Trustees

The directors of the charitable company (the Association) are its Trustees for the purposes of charity law. Throughout this report they are referred to as Trustees.

The Trustees serving during the year and since the year-end were as follows: -

Philippa Campbell	(Honorary Treasurer)
Rohan Campbell	(retired 8 December 2015)
Charlotte Dickens	
Anthony Griffiths	
Colleen Harris MVO DL	
Robert Harrison	(appointed 10 December 2015)
The Lord Hayward OBE	
Philip Rogerson	(Chairman)
Susan Ross-Morton	
Kern Roberts	
Allan Smith	

None of the Trustees receive any emoluments nor have any Trustees had a beneficial interest in the shares of Central YMCA's other subsidiary undertakings. Expenses reimbursed to Trustees are shown in Note 8 to the accounts. Insurance cover including Trustee indemnity insurance was purchased during the year at a cost of £8,322 (2015: £8,057).

Senior employees

Chief Executive	Rosi Prescott
Group Finance Director/Company Secretary	Andy Chesters (retired 31 May 2016) Aimee Henderson (appointed 1 June 2016)

Structure, governance and management

Governing document

Central YMCA is a company limited by guarantee governed by its Articles of Association dated 1911 and last updated in June 2015. It is registered as a charity with the Charity Commission. There are currently 18 Full Members (21 in 2015).

Charitable objects

The charitable objects of the Association, as set out in its articles, are:

- To promote and assist the advancement of the spiritual, social, intellectual and physical condition of principally young men and women (but without any specific restriction as to age) in accordance with and by such means as are consistent with the Basis of Alliance of the Young Men's Christian Associations in various countries throughout the world which was adopted at the General Conference of Delegates from the Associations of Europe and America held in Paris in August, 1855; and
- To provide for the advancement of education of principally young men and women (but without any specific restriction as to age).

Appointment of Trustees

Trustees are elected by the members at the annual general meeting. The Board may appoint additional Trustees during the year, but any Trustee so appointed must be elected at the following annual general meeting. The Nominations Committee supports the recruitment of trustees through a range of methods including the use of specialised recruitment agencies as well as direct applicants.

Trustees' induction and training

All the Trustees undertake induction and on-going training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every Trustee is issued with a personal copy of a comprehensive Trustee handbook. They meet key members of staff and are briefed about the activities. In addition to formal meetings, there are days at which Trustees and staff meet to hold discussions regarding the future direction of the organisation and where other matters can be discussed on a more informal basis.

Organisation

The Board of Trustees administers the Association. The Trustees meet at least quarterly and there is an Audit and Risk sub-committee, which meets between Trustee meetings. Further sub-committees meet regularly, one to oversee the Association's investments, another to review the Trustee structure, size, composition, balance of skills, knowledge and experience, and make recommendations with regard to any changes that are deemed desirable; further committees consider compliance matters and the Charity's safeguarding obligations. A Remuneration Committee has also been established to oversee staff pay and benefits across the Association. The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the whole Group supported by the Group Finance Director. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of delegation approved by the Trustees, for operational matters including finance, employment and operational activity.

Related parties

The Association has five wholly owned subsidiary companies. YMCA Training is a national training provider, providing education and employment opportunities for young people. Central YMCA Trading Ltd provides sports facilities, markets items derived from the activities of the Association and undertakes other non-primary purpose trading activities. The profits of this subsidiary are paid by gift aid to the Association. London Central YMCA Limited, which is a registered charity, runs training courses to equip individuals to work in the fitness industry. This charity has itself a wholly owned dormant subsidiary, YMCA Fitness Recruitment Ltd. Y Hotel is a dormant subsidiary.

Central YMCA, as the founding YMCA, is also part of the YMCA Movement in England.

Public benefit statement

The Trustees confirm that they have complied with the duty, in section 4 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit.

The purpose of the Association is enshrined in its objects, which are to provide for the spiritual, physical, intellectual and social welfare of individuals. The Trustees ensure that this purpose is carried out for public benefit by delivering a wide range of services that are accessible to all, regardless of their circumstances, as set out below:-

YMCA Training

YMCA Training provides education and opportunities for employment for young people and adults, irrespective of their background and experience. This will benefit them as individuals enabling them to develop confidence in their potential and the possibilities open to them, as well as their communities and local businesses. Some of the work is strategically based in socially and economically disadvantaged communities; supporting the vulnerable and those on low incomes; those who have low prior attainment and who are facing personal challenges and those needing support through life transitions. The rest of the work is in work-based employer led situations where young people are encouraged to aspire to higher level apprenticeships and job roles.

YMCA Training operates to high professional standards and provides a safe and supportive environment for participants, enabling them to develop personal, vocational and work-related skills, offering a broad portfolio of education, training and employment services. Its activities can be categorised as follows: -

- Pre 16 Alternative Education provision for young people who have not thrived in a formal education environment
- Post-16 educational Study Programmes in preparation for Apprenticeships and/or employment
- Vocational training programmes (Apprenticeships, Advanced Apprenticeships and Traineeships)
- Staff training opportunities and accredited courses for employers

YMCAfit training courses

YMCAfit has enjoyed a long-standing reputation for training industry-leading health, well-being and fitness instructors and personal trainers who understand people's needs. The operation ensures that the emphasis for students is not only on the latest research, but also on showing empathy and supporting individuals to achieve their goals. Customers for YMCAfit courses range from those aspiring to train elite athletes to those wishing to improve the quality of life for mobility impaired individuals.

The health and fitness facilities

The Association's health and fitness facilities encourage people from all walks of life to improve their health, and provide a welcoming space for a broad range of healthy living and community groups. There is a particular focus on societal groups, such as those living with HIV, for whom the Club operates specific programmes designed to boost participants' physical and mental well-being. The Club's open door accessibility policy, together with special rates for the unemployed and disadvantaged groups, ensures that access is available to all, whatever their situation.

YMCA Awards qualification awarding organisation (formerly CYQ)

The awarding organisation continues to promote the undertaking of qualifications with a particular focus in health and fitness. More than 22,000 qualification certificates were awarded this year. CYQ changed its name to YMCA Awards in June 2015.

YMCA at One KX

Managed under YMCAfit, YMCA at One KX provides London with a dedicated centre for enriching mind, body and spirit, through a schedule of classes such as Pilates and Yoga serving the local workforce and community; including free and discounted courses for people living with HIV and older adults. One KX is currently developing a youth development programme for vulnerable and disadvantaged teenagers, introducing yoga and wellbeing tools to address social and economic barriers to success. Instructor training programmes are also provided that encourage personal growth, promote tolerance and build the health of spirit, mind and body for all. Space is available to rent daily, weekly and monthly for charities and educational providers that complement the centre's mind body programmes. YMCA at One KX is the UK's only Licenced Training Centre for STOTT PILATES®.

All of the operations linked to the Central YMCA Group are fully aligned to the overarching vision of the charity to support the development of healthy, happy and more fulfilled lives for our communities, especially young people and those in need.

Group Strategic Report

Objectives and activities

The objectives of Central YMCA are to provide for the spiritual, physical, intellectual and social welfare of people of all ages in accordance with the Christian basis of the Association.

The overarching aims of the Association are as follows: -

- to create, provide and promote opportunities to develop in mind, body and spirit, especially for the young and those in need
- to engage more people in a broad range of relevant programmes with identified opportunities for progression, enabling them to gain the personal skills, qualifications and experience needed to participate fully and progress in life and work

The principal activities for the year were to provide: -

- a broad range of relevant training programmes with identified opportunities for progression, enabling young people to gain the personal skills, qualifications and experience needed to participate fully and progress in life and work
- fitness and exercise facilities designed to encourage people of all ages to improve their health, with prices reduced or waived where appropriate
- a wide range of nationally recognised vocational qualifications from Level 1 to Level 4 for those undertaking suitable courses run by third parties in the UK, Europe and the rest of the world

The strategies employed to achieve the Association's objectives are to: -

- run vocational and continuous professional development courses to broaden individuals' knowledge and skill base and help them pursue a career
- arrange work-based learning and apprenticeships to help those in employment to increase their knowledge and gain qualifications
- run courses aimed at health and community activities including an emphasis on working with disabled and hard-to-reach individuals
- provide facilities to encourage people and communities to improve their health, particularly targeting young people and groups with specific needs, such as those living with HIV/AIDS, by devising innovative programmes specifically to boost their physical and mental well-being
- offer a high standard of qualifications promoting physical and mental health and wellbeing to those attending suitable courses run by third parties, and to seek to raise standards within the industry as a whole

Financial review

The past 12 months have been significant for Central YMCA which has had to concentrate its energies on a planned YMCA Training reorganisation. The first phase of restructuring and the start of a programme of upskilling staff to ensure that they have the capability to deliver consistently high quality courses and services to the learners is now complete. This focus on consolidating provision and on quality complies with our pledge to both our customers and stakeholders but has resulted in reduced learners and a reduction in corresponding income through government contracts which has resulted in a reduction in turnover for YMCA Training from £10.8m 2015 to £7.6m 2016 (including the loss of a significant Tesco training contract), this will also have some impact on 2017 due to lagged funding arrangements. However, the need to create a scalable staffing structure out of fewer key centres around the country was essential in order to support YMCA Training to compete with other national training providers in the new further education and apprenticeship landscape.

The overall financial deficit of £2,641k (restated 2015 surplus of £672k) includes investment losses of £316k (2015 gain of £1,697k) and property revaluation gain of £1,287k (2015 £821k). Exceptional costs in the year outside of normal operations were £705k (2015 £983k). The deficit was £1,936k in the year (2015 restated surplus of £1,655k).

Expenditure on charitable activities exceeded income from those activities in the year with a combined deficit before exceptional items of £3,301k compared to a deficit of £2,011k in the prior year, an increase of £1,290k.

The table below shows the share of the deficit/surplus from each of the charitable operations (excluding exceptional costs):

Operation	Commentary	2016 £'000	2015 £'000
YMCA Training	Whilst significant cost savings have been made compared to the prior year, learner recruitment on EFA and SFA contracts was impacted by restructuring activity and income also suffered from the withdrawal of long standing funding for young people such as the Youth Contract.	(2,347)	(1,279)
The Club	This represents an improvement of £79k on the prior year, with income increased by 2%.	(425)	(504)
YMCAfit & One KX	An improvement on the prior year. YMCAfit income growth was strong at 8% and an improvement of £440k in the One KX result.	73	(484)
YMCA Awards	A decline of £893k on the prior year. Sales are down 18% in a market where colleges' spend on fitness qualifications were adversely impacted by changes in government funding.	(602)	291
Overall deficit from charitable operations		(3,301)	(2,011)
Net investment income and surplus on commercial trading		394	1,148
Net outgoing resources for the year before exceptional items and gains and loss on investments and revaluations		(2,907)	(863)

Net commercial trading income of £87k was down £18k on last year (2015 £105k). Net investment income of £301k was down £15k on last year (2015 £316k).

Trustees increased support to senior employees in 2016 with monthly YMCA Training board meetings, reviewing the performance of YMCA Training closely to ensure that all action is being taken to address any issues that arise and mitigate any future losses within the organisation.

The adoption of FRS102 on the charity's accounts has primarily impacted on the revaluation of our long leasehold property, the introduction of year end annual leave accruals and the consolidation of funds previously reported as restricted into the charity's general reserve.

Central YMCA was also in grateful receipt of a legacy gift from the estate of Charles Clark a former member and strong supporter of the charity's activities. The value of the fund is currently estimated at £716k and has been recognised in these accounts in the restated 2015 balances as an endowment fund.

The balance sheet demonstrates overall reserves of £29.5m (with £14.9m in cash and investments) putting the group in a strong position to continue to support the restructuring and repositioning of YMCA Training and the necessary investment in the Club to create a strong, sustainable charity.

Due to the remedial action that has been enacted or is planned to address losses within the Central YMCA group, combined with the healthy reserve position, the Trustees are confident that the charity remains a going concern.

Achievements and performance

The key performance indicators for Central YMCA for the various activities are as follows: -

- YMCA Training – number of learners successfully completing training to required standards within agreed timescales
- YMCAfit training courses – number of students participating in and successfully completing courses which prepare them for employment opportunities
- Health and Wellbeing facilities – total number of members and community participants
- YMCA Awards (formerly CYQ) – number obtaining qualifications

YMCA Training

YMCA Training is one of the largest not for profit training providers in the country and the holder of substantial contracts with the Government's two major education funding agencies, the Skills Funding Agency and the Education Funding Agency. Central YMCA became the sole member of YMCA Training on 13 December 2013. YMCA Training was acquired by Central YMCA in the knowledge that support from its reserves would be required to initially address a pension deficit (completed in 2015) and the restructuring of a high cost base, necessary in order to ensure a flexible and sustainable delivery model in a rapidly changing education environment. The Trustees believe that the work of YMCA Training brings great benefit to society and fits well with the overarching aims of Central YMCA, however it is recognised that the merger of YMCA Training into the wider Central YMCA organisation has been both culturally and financially a greater challenge than anticipated. Although a comprehensive due diligence exercise was carried out in 2013 much has been learnt from this exercise and its timing alongside significant educational change has made progress with organisational turnaround to financial profitability slower than expected.

During the year YMCA Training helped 6,277 people develop the skills and confidence to gain qualifications which will support them to find and sustain employment. This is a lower number than last year and is in alignment with plans to maximise the quality of the learning experience and to provide fewer courses at higher levels in order to offer learners clear progression routes that are motivating and aspirational. In addition, we

have re-structured the delivery of our 16-18 classroom provision to provide an individualised induction that enables them to make the appropriate course choice and have added work placements to prepare for progression on to an Apprenticeship.

The personal, social and economic cost of unemployment and a lack of skills can be devastating, so we ensure we work with those who need support through the transition from school to work and from unemployment to employment. Our tailored and holistic provision involves employers in the training process, engages and raises the aspirations of participants, and achieves positive qualification and employment outcomes. We also work with the wider network of YMCAs to move young people who are without both housing and employment into supported housing, qualifications and work. Our Annual Awards ceremony, held this year in the Houses of Parliament, celebrates the success of those learners who have excelled in achieving a range of qualifications from our 16-18 year-old Study Programme to higher level Apprenticeships and often achieving in the face of extreme challenges and difficulties.

During this past year the team has begun preparations for the Government's Apprenticeship Reform Programme, due to be introduced in August 2017, and the operational changes that will be required to deliver the new Apprenticeship Frameworks that have been devised for employers by employers. The curriculum team has focused on creating new delivery models that will be piloted throughout 2016 in order to be as prepared as possible for the launch in 2017. Additionally during the year a successful bid was made to the Department for Work and Pensions in partnership with Kennedy Scott to deliver a three year programme of training and work placements to disabled young people. This programme, in its first six months, has enabled over 200 young people to experience their first work placement and to begin working towards a relevant qualification.

YMCAfit training courses

YMCAfit continues to achieve income growth with total income of £3,343k in 2016 (£3,097k 2015) a growth of 7.8%; with Core course sales contributing with a 6.2% increase in 2016. The projected work based learning achievement rate of 91% for the courses in the 2016 academic year confirms a 7% year on year improvement in achievement rates over the last two years. The new tutor resourcing model, introduced in 2014, continues to enable the organisation to be more efficient at scaling the course programme up and down as demand requires and enabled a total of 3921 students to complete courses during the year.

We delivered nine InstructAbility courses benefiting 75 students living with disability throughout England. Funding for this programme has now ended. We are currently working with Aspire, a registered charity, to secure additional funding in order to continue delivering this award-winning project. Our relationship with Help for Heroes saw the development and delivery of the first Help for Heroes/YMCAfit diploma in personal training delivered to eight service personal at Tadworth House recovery centre. During the year, one student had his training funded by the Basil Scott Fund, a designated fund awarding educational grants in the name of the late Mr. Scott.

Exercise and fitness facilities

YMCA Club is the largest Health and Fitness facility in Central London, located in the heart of London's West End and focuses on the health and wellbeing of local workers, residents and schoolchildren of all ages. The catchment area for the numerous and varied community programmes run both on-site and in local schools spreads across the boroughs of Camden, Islington and Westminster, whilst core memberships (individual and corporate) can be mapped more locally, within a half-mile radius of the facility. Within this radius are 19 competitor clubs of varying size and quality, making the area one of the most competitive in the UK. The Club's community programme is subsidized through the generation of core membership fees, enabling access to those on low incomes and benefits, those populations harder to reach, in addition to delivery of targeted programmes

for medical referrals, children and young people at risk and those not in education, employment or training in line with the Charity's strategic objectives. Each area of the programme is delivered by specialist-qualified staff, supported by over 200 volunteers fulfilling a variety of roles.

Core membership sales were challenging over the year, influenced by the increasing number of direct competitors (particularly those emerging from the 'budget club' sector) and a shift away from the traditional route of purchasing membership and longer-term contracts. Core membership numbers closed the year at 3,938, a 6.7% net decrease over the year. However, growth in memberships purchased through 'third party' providers such as PayasUGym and MoveGB equated to an additional 150-170 active members per month, resulting in the overall achievement of membership revenue targets. This is a trend which is likely to continue for the foreseeable future. At peak times during the year, the Club hosted over 1,700 users per day, and over the year recorded attendance of over 93,000 across the extensive group exercise programme.

The YMCA Club Community Programme provides concessionary membership rates to community members who may have financial barriers to affording standard membership rates or who suffer from physical or emotional challenges that are significantly improved by the health and wellbeing offer of the Club. The Community Programme grew over the year, with total membership numbers closing at 3,445, a net increase of 9.6% in line with targeted growth. Most notable was the increase seen in Older Adult and Youth memberships (6.7% and 78.5% respectively), the latter being a primary focus for strategic development over the last three years. The Community Programme now offers 14 sub-programmes which prioritise young people and those in need, some in partnership with other organizations and all subsidized by the Charity with minimal external funding.

Medical referral programmes saw 172 referrals to the Positive Health Programme and 94 to the Healthy Living Programme, with the Club achieving the highest intervention completion rate amongst delivery partners at 89% and continued part-funding has been agreed with NHS Camden, Islington and Westminster. Post-intervention adherence is challenging, and this will be a focus for 2017. The Older Adults Programme saw over 180 group exercise participants per week and the Apple & Pears Adult Weight Management Programme, delivered in partnership with NHS Camden, saw 54% of participants achieve the targeted 5% weight loss. The completion of a pilot exercise referral programme targeting young people living with cancer has now been extended. This is delivered in partnership with Trekstock and Clic Sargent and the Club will receive 25 referrals over the next 12 months, with the longer-term vision being to expand the programme nationwide.

Youth Programme membership now approaches 500, and the Young health Champions peer mentoring programme remains active and delivering sessions to young people across the boroughs. Recruitment of new members has been very successful, and increasing regular participation will be another focus for 2017. The Get on Track programme delivered in partnership the Dame Kelly Holmes Legacy Trust, supported over 70 young people this year, with some outstanding examples of long-term behavior changes and progression into full-time employment.

The Y-Active Children's Programme provided 254 weeks of free play scheme access for local disadvantaged children through a bursary funded by the St Giles Hotel 'Hotels with a Heart' scheme, and the under 4s activity programme saw over 900 children engage with healthy activity, learn cooking skills and just generally get messy and have fun! Y-Active has also supported four local primary schools in increasing healthy activity amongst pupils by providing targeted provision of after-schools classes for the lowest performing children. This benefitted 180 local children this year and the programme has also started delivery of physical activity provision for Jeannine Manuel School, delivering 16 active lessons per week across a range of activities.

Running alongside the continuation and development of the existing programmes over the next year will be phase II of the Club Investment Project. Detailed designs and costing will be proposed to the Trustees in

December 2016 with a view to progressing works in early 2017 (subject to approval), and the project management/consultant team has been appointed to lead the project to this point.

YMCA Awards (formerly CYQ) qualification awarding organisation

The past 12 months have been a turbulent time for awarding and for adult education in general. In June 2016, the Chancellor's summer budget accelerated cuts to the adult education skills budget. 29% in-year cuts to non-apprenticeship funding resulted in many colleges dramatically reducing spend on, or even closing down, their sports and leisure faculties. Major structural changes to the qualifications framework by OFQUAL and SFA have also significantly impacted the adult education funding model, and although these changes were planned, their implementation has been complex. YMCA Awards was not alone in feeling the impact of these changes and this volatility in the market has created a difficult and more competitive commercial climate.

A key risk for YMCA Awards has been an over-reliance on indirect receipt of public subsidy from further education colleges and a small group of products accounting for half of all revenues. In light of the policy changes described and against the original plans to grow the business from £2,289k in 2015 this part of the charity has seen reduced revenues in the period with 2016 income of £1,877k. YMCA Awards is now focused on mitigating further impacts from policy change through widening its product portfolio into attractive new categories, particularly learning technology (in particular products to facilitate e-assessment and e-learning) and also new sectors (including the Business Administration Skills sector), to target privately funded customers. In October YMCA Awards won an industry award for a new app as Innovator of the Year from the Federation of Awarding Bodies.

In the financial year, 29,128 learners were registered across 80 vocational qualifications, and 23,067 certificates were issued to learners who had successfully passed their assessment. The results of our 2015 customer satisfaction survey concluded that 92% of existing customers would recommend us to another education provider seeking an awarding organisation to work with.

YMCA at One KX

One KX class and workshop participation has grown significantly over the last year and is now delivering to approximately 600 participants monthly. We have engaged with South Camden Youth Access Point and Camden Council to support our growing community offering. At our annual Merrithew Mind Body symposium in November 2015 where we received their "Partner of Distinction" award in relation to the quality and care with which YMCA at One KX operate the licensed training centre and its commitment to continuous improvement.

Plans for future periods

New three year plans have been created for all the Association's operations. YMCA Training continues to adjust its operational structure to meet with the increasing demands made by the funding and regulatory bodies as well as the Government's Apprenticeship Reform programme. YMCA Awards and YMCA Fit expect to reach more learners from new product development and expansion and the Club is embarking on the feasibility stage of investment in facilities to increase capacity and improve member experience. The Trustees' ambition to move all operations to a fully funded position will reduce the reliance on investments for financial support and create an even stronger Association in the medium term.

Fixed assets

The principal changes in the fixed assets of the group were additions of £216k and the £1,287k re-valuation of long leasehold properties.

Employment policies

The Trustees recognise the importance of good communications and relations between management and employees. The Association and its subsidiaries are an equal opportunity employer and do not discriminate on the grounds of disability, age or gender.

Staff communication is provided through regular updates through regular emails and briefings from line managers and an active Human Resources team.

Central YMCA is currently assisted in its work by over two hundred volunteers who run activities and the same policies are applied to them as to employees. The charity would not be able to pay these volunteers for their support at the same rate as an equivalent employee or external individual, however their contribution is essential to maintain the range of community programmes on offer and deliver against our charitable aims.

The Remuneration Committee of the Trustee Board governs the benefits received by key management personnel. Benefits are determined by a role evaluation and external benchmarking.

Grants received – the Group and the Association

Central YMCA has received a number of grants to further its work during the year. The Trustees would like to thank all those who contributed to the Association's work. The grants are summarised as follows:

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	£'000	Used for
Fusion Southwark, Fusion Lifestyle	5	Exercise and Disability Community Physical Activity Engagement
London Borough of Merton	3	Programme
Dame Kelly Holmes Legacy Trust	31	Supporting young people
Camden PCT	5	HIV/AIDs support
Islington PCT	5	HIV/AIDs support
London Borough of Westminster	6	Community Health and Well Being Improvement
Total Association	<u>55</u>	
InstructAbility, Aspire	<u>149</u>	InstructAbility Programme
Total Group	<u><u>204</u></u>	

Dependence on donations

The Association is not dependent on donations of services or facilities.

Risk management

The Trustees have a risk management strategy which comprises: -

- a regular review of the risks the Association may face
- the establishment and monitoring of systems and procedures to mitigate those risks identified in the plan
- the implementation of procedures designed to minimise any potential impact on the Group should those risks materialise.

The Trustees consider that the main risks to the Group are: -

- the extent to which the Group is dependent on Government funding of educational courses
- an external event impacting on the buildings used by the Group
- policy changes in education resulting in the reduction in recognised vocational qualifications and less focus on regulated assessment
- the effects of increasing competition within all of our operational environments
- failing to meet Ofsted or Ofqual requirements

The Board regularly considers risk and continually monitors the agreed actions for risk mitigation. An analysis of the causes and consequences, the existing controls and identified future actions to mitigate each risk, is presented to the board on a quarterly basis for review. Changes to the risk ratings are monitored; new areas of corporate risk and any items being taken off the register are brought to the Board of Trustees' attention.

The risk register is updated quarterly in line with the business planning process. The Trustees have overall responsibility for ensuring that the Group has appropriate systems of controls, financial and otherwise and to provide reasonable assurance that:

- The Group is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the charity or for publication is reliable;
- The Group complies with relevant laws and regulations.

The Group is exposed to risk through its financial instruments, these instruments primarily being investments, cash at bank and trade debtors. Trustees seek to minimise their exposure to these risks through balanced investment portfolios managed by reputable investment managers and through the use of banks with good credit ratings. Trade debt is comprised in the main of small balances due from individuals or from government, therefore resulting in a low exposure to credit risk.

Investment powers

Under the Articles the Association has the power to invest in any way the Trustees wish. Rothschild manages an investment portfolio on behalf of the Trustees. Rothschild has been asked to invest to provide income to subsidise the activities of the Association and also to build up reserves to provide capital funding for improvements to the facilities and other projects. Rothschild was set the target of achieving a total return of 3.5% above inflation over the long term (before taking account of cash distributions to Central YMCA).

The portfolio as at April 2016 was showing a +2.42% yield (+3.04% April 2015).

The Association has not set any social, environmental or ethical restrictions on the investments other than avoiding anything carrying a Government health warning, such as tobacco products. The Association's Investment Committee meets regularly with Rothschild to discuss the investment strategy. Details of investments are set out in Note 11 of the accounts.

Reserves policy

The Trustees have established the level of free reserves (that is, those funds that are freely available) that the Association ought to have. Reserves are needed to bridge the gap between carrying out activities and receiving the funds for those activities. In particular, the Trustees have set a policy that free reserves should cover six months' operating expenditure, which equates to approximately £10.0m.

As at 31 March 2016 the Group's reserves are as follows:

Reserve	Current reserves	Further information
Restricted endowment reserves	£716k	These are funds which are restricted as to their future use and therefore are not freely available.
Designated reserve – Great Russell Street Development fund	£4,620k	Funds have been designated to cover the anticipated cost of repairs / refurbishments to the Group's long leasehold properties. The Group is expecting to invest in updating the facilities in the next two years and although the exact amount is unknown at present the Trustees consider that a reserve of this magnitude will be needed.
Designated reserve – Basil Scott fund	£264k	The fund is designated to provide educational grants in the name of the late Mr Scott.
Funds represented by property, plant and equipment	£17,304k	The funds invested in tangible fixed assets are not freely available to the Group and therefore are excluded from free reserves.
Free reserves	£7,944k	The six months' operating funds target is around £10.0m and so the free reserves are currently at 79% of the target. Reserves of YMCA Training Ltd and London Central YMCA Limited are significantly lower than required if support from Central YMCA were not in place. The reserves of the Group are sufficient to ensure financial support for individual subsidiaries if required. Over the medium term the group is expected to generate operational surpluses and increase the reserves towards target levels.
Total Group reserves	£30,848k	

Virtually all of the free reserves are held in investments (and so also provide income). It is the intention of the Trustees that the majority of these investments will be retained on a long-term basis to ensure that the Group can continue to provide public benefit at the levels planned. The Trustees will keep their reserve policy under review, balancing this against the needs of the Group and opportunities available to it.

Auditor

Nexia Smith & Williamson were appointed as auditors in 2015 and have remained for 2016 and it is proposed that the Group will review its audit and internal audit requirements in 2017.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report (incorporating the Group Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent Association and of the incoming resources and application of resources, including its income and expenditure, of the group for the year. In preparing those financial statements the Trustees are required to: -

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and accounting 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent Association and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

So far as the Trustees are aware, there is no relevant audit information of which the company's auditor is unaware. The Trustees have taken all the steps they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board

P Campbell

Honorary Treasurer

P Rogerson

Chairman

A Henderson

Company Secretary

Date approved: 14 September 2016

Registered Office:
112 Great Russell Street
London
WC1B 3NQ



Independent Auditor's Report to the Members and Trustees of Central Young Men's Christian Association

We have audited the financial statements of Central Young Men's Christian Association for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the charitable company's trustees, as a body, in accordance with Section 151 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, 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.

We have been appointed as auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's 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 and the Charities Act 2011.



Independent Auditor's Report to the Members and Trustees of Central Young Men's Christian Association (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Jonathan Pryor
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Nexia Smith & Williamson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Comprehensive Income

for the year ended 31 March 2016

	Note	Normal	Exceptional	Total	Normal	Exceptional	Total
		2016	2016	2016	2015	2015	2015
		£'000	£'000	£'000	£'000	£'000	£'000
Turnover	5	16,546	-	16,546	20,344	-	20,344
Operating expenditure	6	(19,855)	(705)	(20,560)	(21,651)	(983)	(22,634)
Operating deficit		(3,309)	(705)	(4,014)	(1,307)	(983)	(2,290)
Income from fixed asset investments		402	-	402	444	-	444
(Losses) / gains on investments	11	(316)	-	(316)	1,697	-	1,697
(Deficit)/surplus for the financial year		(3,223)	(705)	(3,928)	834	(983)	(149)
Other comprehensive income:							
Revaluation of property	10	1,287	-	1,287	821	-	821
Total comprehensive (expenditure)/income for the financial year		(1,936)	(705)	(2,641)	1,655	(983)	672

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

Consolidated Statement of Financial Activities

for the year ended 31 March 2016

	Note	Unrestricted	Restricted	Endowment	Total	Total
		Funds	Funds	Funds	2016	As restated
		£'000	£'000	£'000	£'000	2015
						£'000
Income and endowments from:						
Donations and legacies		6	-	-	6	727
Charitable activities		15,806	204	-	16,010	19,117
Other trading activities		530	-	-	530	500
Investments		402	-	-	402	444
Total income	5	16,744	204	-	16,948	20,788
Expenditure on:						
Raising funds		544	-	-	544	523
Charitable activities:						
- Charitable operations		19,107	204	-	19,311	21,128
- Restructuring & one-off costs	18	705	-	-	705	983
Total expenditure on charitable activities		19,812	204	-	20,016	22,111
Total expenditure	6	20,356	204	-	20,560	22,634
Net (losses) / gains on investments	11	(316)	-	-	(316)	1,697
Net (expenditure)/income		(3,928)	-	-	(3,928)	(149)
Other recognised gains/losses:						
Gains on revaluation of fixed assets	10	1,287	-	-	1,287	821
Net movement in funds		(2,641)	-	-	(2,641)	672
Reconciliation of funds						
Fund balances brought forward - <i>as restated</i>		32,773	-	716	33,489	32,817
Fund balances carried forward	15; 16 & 17	30,132	-	716	30,848	33,489

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

Notes 5 and 6 to the accounts show full analysis of comparative income and expenditure by the charitable activities. All items not shown in notes 5 and 6, being net gains and losses on investments and the revaluation of property, are unrestricted for both years.

Consolidated balance sheet

at 31 March 2016

Company number: 119249

		Total 2016 £'000	Total <i>As restated</i> 2015 £'000
Fixed assets			
Plant, property and equipment	10	17,304	16,450
Investments	11a	<u>13,708</u>	<u>15,221</u>
<i>Total fixed assets</i>		<u>31,012</u>	<u>31,671</u>
Current assets:			
Inventory	12	4	37
Debtors	13	2,316	3,475
Cash at bank and in hand		<u>1,154</u>	<u>1,859</u>
<i>Total current assets</i>		<u>3,474</u>	<u>5,371</u>
Creditors: Amounts falling due within one year	14	<u>(3,303)</u>	<u>(3,281)</u>
<i>Net current (liabilities) / assets</i>		<u>171</u>	<u>2,090</u>
Total assets less current liabilities		31,183	33,761
Provisions for liabilities	14	<u>(335)</u>	<u>(272)</u>
Total net assets		<u>30,848</u>	<u>33,489</u>
The funds of the charity:			
Endowment funds	17	716	716
Restricted income funds	17	-	-
<i>Total restricted funds</i>		<u>716</u>	<u>716</u>
Unrestricted fund - general	15	8,369	11,380
Unrestricted fund - designated reserves	16	4,884	4,521
Revaluation reserves	15	<u>16,879</u>	<u>16,872</u>
<i>Total unrestricted funds</i>		<u>30,132</u>	<u>32,773</u>
Total charity funds		<u>30,848</u>	<u>33,489</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 14 September 2016 and were signed on its behalf by:

P Rogerson
Chairman

P Campbell
Treasurer

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

Parent Association balance sheet

at 31 March 2016

Company number: 119249

	Note	Total 2016 £'000	Total <i>As restated</i> 2015 £'000
Fixed assets			
Plant, property and equipment	10	17,250	16,352
Investments	11a	13,708	15,221
Investment in subsidiary	11b	-	3,627
<i>Total fixed assets</i>		30,958	35,200
Current assets:			
Debtors	13	1,036	1,133
Cash at bank and in hand		603	1,816
<i>Total current assets</i>		1,639	2,949
Liabilities:			
Creditors: Amounts falling due within one year	14	(1,401)	(773)
<i>Net current assets</i>		238	2,176
Total assets less current liabilities			
Creditors: Amounts falling due after one year			
Provisions for liabilities	14	-	-
Total net assets		31,196	37,376
The funds of the charity:			
Endowment funds	17	716	716
Restricted income funds	17	-	-
<i>Total restricted funds</i>		716	716
Unrestricted fund - general	15	8,717	15,267
Unrestricted fund - designated reserves	16	4,884	4,521
Revaluation reserves	15	16,879	16,872
<i>Total unrestricted funds</i>		30,480	36,660
Total charity funds		31,196	37,376

These financial statements were approved and authorised for issue by the Board of Trustees on 14 September 2016 and were signed on its behalf by:

P Rogerson
Chairman

P Campbell
Treasurer

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2016

	Note	Total 2016 £'000	Total 2015 £'000
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>	19	<u>(2,142)</u>	<u>(7,075)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		402	444
Proceeds from the sale of property, plant and equipment		20	-
Purchase of property, plant and equipment		(216)	(179)
Proceeds from sale of investments		3,338	6,018
Purchase of investments		<u>(2,107)</u>	<u>(3,420)</u>
<i>Net cash provided by investing activities</i>		<u>1,437</u>	<u>2,863</u>
<i>Change in cash and cash equivalents in the reporting period</i>		(705)	(4,212)
<i>Cash and cash equivalents at the beginning of the reporting period</i>		<u>1,859</u>	<u>6,071</u>
<i>Cash and cash equivalents at the end of the reporting period</i>		<u>1,154</u>	<u>1,859</u>

Significant non-cash transactions were the revaluations of fixed assets and investments and in 2015 the recognition of the Charles Clark Legacy endowment fund.

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

Notes to the accounts

1 General Information

The Central Young Men's Christian Association and its subsidiaries (together "the Group") operate a number of charitable activities throughout the UK. The Group uses a number of brand names for its services, including YMCA Awards and YMCAfit.

The Central Young Men's Christian Association ("the Association") is a registered charity and a company limited by guarantee. It is registered in England, its registered office is 112 Great Russell Street, London, WC1B 3NQ and its registered number is 119249. Full Members are a group of 18 (2015 – 21) individuals who have affirmed their commitment to the movement's corporate aim and are the equivalent of the shareholders of a commercial company. They are elected by the Board of Trustees. The Full Members of the Association are each liable to contribute 37 pence towards the liabilities of the Association in the event of liquidation but cannot receive any distribution of any kind as a result of their membership.

2 Statement of Compliance

The group and individual financial statements of the Central Young Men's Christian Association have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Companies Act 2006, and the "Statement of Recommended Practice" (SORP 2015) applicable to charities preparing their accounts in accordance with FRS102. The Group financial statements are also prepared in accordance with the Charities Act 2011.

The Group is a public entity group and the Association is a public benefit entity, as defined by FRS102.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in note 23.

(a) Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of long leasehold properties and certain financial assets measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The Association has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of comprehensive income.

(b) Going Concern

The Group meets its day-to-day working capital requirements through cash generated by charitable and trading operations, from returns from investments and from planned withdrawals from the investment portfolio. The current economic conditions continue to create uncertainty over the income and investment returns for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in income and investments, show that the Group should be able to operate within the level of its current cash resources for the next financial year. After making enquiries, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. By Member agreement, the Association has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Association's cash flows;
- (ii) from disclosing the Association key management personnel compensation, as required by FRS 102 paragraph 33.7.

(d) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Association and all of its subsidiary undertakings made up to 31 March.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

(e) Foreign currency

The Group and Association's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. All exchange differences are dealt with in the statement of financial activities.

(f) Revenue recognition

Incoming resources from charitable activities represents the amounts derived (excluding value added tax) from the provision of goods and services to third-party customers during the year. The Group recognises revenue according to the following principles:

- Services are gym memberships, classes, training, education – where income is recognised as the services are provided (i.e. when a training course has started). Income in advance is deferred and income in arrears is accrued. The exception is YMCA Training's SFA contract where income is recognised over the duration of their learning. However, whilst the funding provides for an additional lump sum on completion, this is only recognised at the student's completion date. EFA funding is recognised as income when the learners have achieved their learning elements and the related claim has been accepted by the funding body.

- Goods are recognised when delivered.
- Non-exchange transactions (grants, donations, bequests) are recognised in the SOFA when conditions for their receipt have been complied with, receipt is probable and the amount known. Any income from performance related grants is carried forward as part of deferred income to the extent that the related services have not been performed. Grants which fund charitable activities are classified as income from charitable activities.
- Investment income comprises interest receivable on short-term deposits as well as amounts received on investments and is recognised when the Group is entitled to the income.

(g) Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

(h) Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, redundancy and other payments to staff leaving the Group, are recognised as an expense in the period in which the service is received.

The Group operates two defined contribution plans for its employees where the Group pays fixed contributions into a separate entity with no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

(i) Taxation

As a registered charity, the Association is able to claim certain reliefs from corporation tax on its income. Where these reliefs apply, no taxation is provided.

All irrecoverable VAT is treated as part of the cost of the item to which it relates.

(j) Property, plant and equipment

Property, plant and equipment are stated at cost or, in the case of long leasehold property, fair value less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

No land value is attributed to long leases as other parties have rights over the site on which the buildings are constructed.

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Fixtures, fittings and computer equipment	-	5% to 33%
Long leasehold buildings	-	80 years
Short leasehold buildings	-	20 years

Running repairs and minor renewals of buildings and plant are written off as incurred.

Individual long leasehold properties are held at their estimated fair value. Updated valuations are obtained when either there is evidence that the previous valuations do not reflect the current values of the relevant properties or every three years. The surplus or deficit on depreciated historic cost being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the Statement of Comprehensive Income. A deficit which represents a clear consumption of economic benefits is charged to Statement of Comprehensive Income regardless of any such previous surplus.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life of an asset have changed, the residual value, useful life or depreciation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if these factors indicate that the carrying amount may be impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in Statement of Comprehensive Income and included in 'Other operating (losses)/gains'.

(k) Investments

Investments, which comprise listed investments held by the Group's investment managers, are stated at their fair value, being the closing market value of the investments as at the period end. Changes in the value of the investments and gains and losses on disposals are recognised in Statement of Comprehensive Income. Any accumulated investment gains are recognised as a revaluation reserve.

(l) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. The Group and Association have no leases classified as finance leases.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(m) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related income is recognised.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and the investment managers, and other short-term highly liquid investments with a maturity of 3 months or less.

Currently all cash and cash equivalents for the Group and Association are in the form of cash at bank with no time limit or penalties applicable for the withdrawal of funds.

(o) Provisions and contingencies

(i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions for leased property dilapidations relate to the estimate cost of making good the dilapidations as at the balance sheet date, where the Group has such an obligation as a result of the tenancy agreements or property law. The provision is estimated based on current rectification costs.

(ii) Contingencies

Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(p) Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including investments, trade and other receivables and cash and bank balances are initially recognised at transaction price. Investments are subsequently measured at fair value, concessionary loans are not subsequently re-measured and other financial instruments are subsequently measured at amortised cost.

Basic financial liabilities, including trade and other payables are initially recognised at transaction price and subsequently at amortised cost.

The Association's long term loans to its subsidiary are treated as concessionary loans which further the Association's charitable purposes and are stated at cost, less any provision for impairment.

Financial assets are derecognised when the contractual rights to the associated cash flows are settled or expire or when the risks and rewards of ownership are transferred to a third party. Financial liabilities are derecognised when the liability is discharged, cancelled or expires.

(q) Apportionment of expenses

Charitable expenses are allocated directly against the operation to which they relate and represent the cost of running the programme.

Governance costs include audit, company secretarial and strategic management costs. Recharges from the holding charity have been calculated using a range of allocation methods most appropriate to the type of expenses in question.

<u>Expense Type</u>	<u>Apportionment method</u>
HR costs; staff related expenditure; IT costs	Staff numbers
Facilities costs; Utilities and insurance	Area occupied
Marketing; Finance costs; and central staff costs	Turnover by operations

(r) Funds

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
- designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects
- 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.

Further explanation of the nature and purposes of each fund is included in Notes 16 and 17.

4 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 Group's accounting policies

(i) Revenue recognition of course income

The Group recognises short-term fitness training courses at the time the course commences. Whilst some courses may span a financial year-end the Group does not consider the impact would make a material difference to the reported income and it is not adjusted.

Income from Apprenticeship learners is recognised over the duration of their learning. However, whilst the funding provides for an additional lump sum on completion, this is only recognised at the student's completion date. EFA funding is recognised as income when the learners have achieved their learning elements and the related claim has been accepted by the funding body.

(ii) Impairment of concessionary loans (Association)

On assessing whether concessionary loans are impaired the Trustees review the future cash flows of the relevant subsidiaries to determine whether it is likely that the subsidiaries are able to repay the loans.

Although a loan facility has been granted to YMCA Training, as at the balance sheet date no concessionary loans are in place with the Associations subsidiaries.

(iii) Financial support to YMCA Training

In order to support the buy-out from YMCA Training's historical defined benefit pension obligations (completed in 2015) and planned restructuring and reorganisation activities in 2015 and 2016, £5.2m has been granted to YMCA Training to date by the Association. The Trustees have agreed to support YMCA Training with future grants, if required, in 2017 in order to support all obligations of current and new government contracts for 2016-2017 and further possible restructuring.

(b) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal 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) Provisions for property dilapidations

In 2015, provisions for likely dilapidations on property were estimated based on the areas of the relevant properties and a current estimate of dilapidation cost per square foot advised by an external advisor. An estimate of the required provision as at the year end was then made, based on the expected duration of each lease. The current provision is based on surveys which were carried out in 2016. For each surveyed property, the potential required works were identified based on the lease agreements, together with the current estimated cost of that work. Full provision was made for the estimated dilapidation cost. On a £ per square foot basis, these costs are also in line with actual settlements made to landlords for closed centres.

(ii) Future income projections/going concern assessment

Trustees scrutinised the short term forecasts for 2017 and longer term projections for the group in May 2016. Having already carried out an extensive review of the Group's cost base, analysis of future income projections is now the main driver of the Group's going concern assessment.

Projections of income are based on an understanding of the following drivers of income:

- Confirmed funding contracts (e.g. both Department for Education Funding agencies, the Skills Funding Agency (SFA) and Education Funding Agency (EFA)) provide the framework for YMCA Training and YMCAfit income projections as well as historical learner recruitment trends in YMCAfit. Actual income in both parts of the charity may fluctuate with changes to demand for training courses as further information is published by the government in regards to apprenticeship reforms. However these reforms are being introduced slowly in light of current political changes and contract values for 2016-2017 are reflective of 2016 recruitment levels at a time where the charity was in the midst of a sizeable reorganisation. Therefore, with a reduced but more stable staff and infrastructure these contracts are deemed a prudent base for projections.
- Historical trends and market analysis drive projections of fitness memberships and usage of the Club and OneKX.

Historical trends and market analysis also drive income projections for YMCA Awards, however, in a declining and consolidating awarding market it is recognised that new business in the form of online content and eLearning will require further business development focus to diversify our income opportunities. The charity will continue to review its costs and activities in line with its charitable objects and trustees remain confident that the Group remains a going concern.

(ii) Fair value of long Leasehold properties

Long leasehold properties are valued at Fair Value on the basis of professional advice.

5 Analysis of incoming resources

Analysis of incoming resources 2016

	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	2016
	£'000	£'000	£'000	£'000
Charitable activities:-				
Fitness facilities and associated activities	2,987	47	-	3,034
YMCAFit training courses	3,186	157	-	3,343
YMCA Training	7,606	-	-	7,606
YMCA Awards	1,877	-	-	1,877
Theatre company and One KX	150	-	-	150
Other projects	-	-	-	-
	15,806	204	-	16,010
Voluntary income – donations	6	-	-	6
Commercial trading income	530	-	-	530
Incoming resources before investment income	16,342	204	-	16,546
Investment income	402	-	-	402
Total	16,744	204	-	16,948

Analysis of incoming resources restated 2015

	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	As restated
	£'000	£'000	£'000	2015
	£'000	£'000	£'000	£'000
Charitable activities:-				
Fitness facilities and associated activities	2,875	88	-	2,963
YMCAFit training courses	2,933	164	-	3,097
YMCA Training	10,750	-	-	10,750
YMCA Awards	2,289	-	-	2,289
Theatre company and One KX	1	-	-	1
Other projects	17	-	-	17
	18,865	252	-	19,117
Voluntary income – donations	11	-	716	727
Commercial trading income	500	-	-	500
Incoming resources before investment income	19,376	252	716	20,344
Investment income	444	-	-	444
Total	19,820	252	716	20,788

All income from charitable activities has been generated in the United Kingdom apart from an amount of £46,715 (2015: £38,000) which was earned from 10 (2015: 9) other countries. Of the above £114k (£107k 2015) was derived from the sale of goods, £402k (£444k 2015) from investment income, £204k (£252k 2015) from grants and the balance of £16,228k (£19,985k 2015) was derived from provision of services.

6 Analysis of total resources expended (excluding exceptional costs)

Analysis of total resources expended 2016

		Direct	AppORTIONED Support	Total
	Note	Costs £'000	Costs £'000	2016 £'000
Charitable activities				
YMCA Club		2,610	849	3,459
YMCAFit training courses		2,260	1,071	3,331
YMCA Training		7,671	2,282	9,953
YMCA Awards		1,857	622	2,479
Theatre company and One KX		89	-	89
Campaigns and others		-	-	-
Restructuring and one-off costs	18	705	-	705
		15,192	4,824	20,016
Commercial trading		404	39	443
Investment costs		82	19	101
Total		15,678	4,882	20,560

Analysis of total resources expended restated 2015

		Direct	AppORTIONED Support	Total
	Note	Costs £'000	Costs £'000	As restated 2015 £'000
Charitable activities				
YMCA Club		2,505	962	3,467
YMCAFit training courses		1,825	1,377	3,202
YMCA Training		10,765	1,264	12,029
YMCA Awards		1,316	682	1,998
Theatre company and One KX		291	89	380
Campaigns and others		21	31	52
Restructuring and one-off costs	18	983	-	983
		17,706	4,405	22,111
Commercial trading		364	31	395
Investment costs		101	27	128
Total		18,171	4,463	22,634

Support costs are made up as follows:

	Total 2016 £'000	Total 2015 £'000
IT costs	750	620
Property costs	107	79
Finance department costs	479	411
HR costs	680	703
Communication and marketing costs	306	754
Management costs	327	171
Maintenance department costs	279	193
Insurance	156	144
Affiliation fee YMCA England	24	91
Operations	657	223
Development/fundraising	282	56
Sundry costs/other	44	56
Quality	-	529
National administration	616	264
Governance costs	175	169
	4,882	4,463

Governance costs are made up as follows: -

	Total 2016 £'000	Total 2015 £'000
Auditor's remuneration (excluding irrecoverable VAT)	48	39
Irrecoverable VAT on auditor's remuneration	8	6
Company secretarial costs	54	48
Share of management time on strategic matters	65	76
	175	169

The basis of apportionment is set out in the accounting policies.

7 Net outgoing resources for the financial period

	Total 2016 £'000	Total 2015 £'000
<i>Net outgoing resources for the financial period is stated after charging/(crediting)</i>		
Bad debt expenses	18	267
Inventory recognised as an expense	112	77
Operating lease payments:		
Property rentals	747	850
Motor vehicles	31	75
Other services provided by the group auditor	6	-
Depreciation – owned assets	649	670

Other services provided by the Group auditor relate to the audit related assurance services.

8 Remuneration of Trustees

The Trustees did not receive any emoluments during the period (2015: £nil) for services as Trustees of the Association. A total of £1,898 (2015: £1,469) was reimbursed to six (2015: six) Trustees during the period in respect of reimbursement of travel costs. Insurance cover including Trustee indemnity insurance was purchased during the year at a cost of £8,322 (2015: £8,057).

9 Staff numbers and costs

The average number of persons employed by the group during the year, analysed by category, was as follows:

	Number of Employees	
	2016	2015
Operations	380	475
Management and administration	37	33
	417	508

In addition to the above staff, circa 200 unpaid volunteers assist in the provision of Club services to those in need.

The aggregate payroll costs of these persons were as follows:

	Total	Total
	2016	2015
	£'000	£'000
Wages and salaries	9,773	11,058
Redundancy costs	703	687
Social security costs	924	999
Other pension costs - Defined contribution scheme	244	248
	11,644	12,992

The total redundancy payments for 2016 of £703k (£687k 2015) were funded from accumulated reserves.

The emoluments of the employees earning over £60,000 fell into the following bands:

Band	Number of Employees	
	2016	2015
£60,001 – £70,000	3	1
£70,001 – £80,000	1	3
£80,001 – £90,000	3	1
£90,001 – £100,000	1	1
£100,001 – £110,000	1	1
£110,001 – £120,000	1	-

Pension costs for these higher paid employees amounted to £65,985 (£52,239 2015).

Key management compensation

Key management personnel comprises members of the senior management of the Group. The compensation paid or payable to key management for employee services was £290,456 (£252,886 2015) including salary, pension contributions, National Insurance and employee benefits.

10 Property, plant and equipment

For the group:

	Long leasehold property Great Russell St £'000	Short leasehold property Cromer Street £'000	Fixtures Fittings and Equipment £'000	Total £'000
Group				
Cost or valuation:				
At 31 March 2015	15,300	1,725	4,429	21,454
Additions	74	-	142	216
Disposals	-	-	(20)	(20)
Revaluations	900	-	-	900
At 31 March 2016	16,274	1,725	4,551	22,550
Depreciation:				
At 31 March 2015	-	817	4,187	5,004
Charge for the period	387	89	173	649
Disposals	-	-	(20)	(20)
Revaluations	(387)	-	-	(387)
At 31 March 2016	-	906	4,340	5,246
Net book value:				
31 March 2016	16,274	819	211	17,304
31 March 2015	15,300	908	242	16,450

For the Association:

	Long leasehold property Great Russell St £'000	Short leasehold property Cromer Street £'000	Fixtures Fittings and Equipment £'000	Total £'000
Association				
Cost or valuation:				
At 31 March 2015	15,300	1,725	3,084	20,109
Additions	74	-	132	206
Disposals	-	-	(20)	(20)
Revaluations	900	-	-	900
At 31 March 2016	16,274	1,725	3,196	21,195
Depreciation:				
At 31 March 2015	-	817	2,940	3,757
Charge for the period	387	89	119	595
Disposals	-	-	(20)	(20)
Revaluations	(387)	-	-	(387)
At 31 March 2016	-	906	3,039	3,945
Net book value:				
31 March 2016	16,274	819	157	17,250
31 March 2015	15,300	908	144	16,352

Long leasehold properties at Fair Value:

Group and Association	Total 2016 £'000	Total 2015 £'000
Great Russell Street buildings		
At period end open market value	16,274	15,300
Aggregate depreciation thereon	-	-
Net book value	16,274	15,300
Historical cost of revalued assets	5,763	5,763
Aggregate depreciation based on historical cost	(4,056)	(3,703)
Historical cost net book value	1,707	2,060

The interests in the property at Great Russell Street, London WC1 were revalued as at 31 March 2016. These valuations were produced by Montagu Evans LLP, an independent external firm of chartered surveyors in accordance with the RICS Valuation Standards – (January 2014) published by the Royal Institute of Chartered Surveyors on the basis of Fair Value as defined by FRS102.

11 Fixed Asset Investments – Group and Association

a) External investments (Group and Association)

Listed Investments	Total 2016 £'000	Total 2015 £'000
Fair value at 1 April	15,221	16,224
Purchases at cost	4,260	3,420
Sale proceeds	(5,509)	(6,018)
Realised gain on investments sold	859	415
Subtotal	14,831	14,041
Unrealised (loss)/gain on revaluation	(1,123)	1,180
Fair value	13,708	15,221

The investments were allocated as follows: -

	At 31st March 2016			At 31st March 2015		
	At cost	Market Value	Surplus / (deficit)	At cost	Market Value	Surplus / (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed Income	1,834	1,853	19	1,979	1,992	13
Equities	7,589	9,311	1,722	7,652	10,517	2,865
Property Funds	1,923	2,544	621	2,111	2,712	601
Investments	11,346	13,708	2,362	11,742	15,221	3,479
Liquid Funds	(19)	(68)	(49)	1,388	1,454	66
Total	11,327	13,640	2,313	13,130	16,675	3,545

The total (losses)/gains on investments comprise of the realised gains on investments, unrealised (loss)/gain on revaluation and the gains on forex currency shown as liquid funds.

The investments are valued based on quoted prices. The above investments represent the totality of the financial assets measured at fair value through profit and loss.

b) Internal investments (Association)

The Association has five subsidiary undertakings, all of which are either 100% owned or for companies limited by guarantee where the Association is the sole member and are registered in England and Wales. London Central Young Men's Christian Association Limited ("London Central YMCA Limited") is a company which provides for the spiritual, educational and physical well-being of young men and women and adults by supplying vocational training courses throughout the UK. This company is a charity with its own Board of Trustees. Its registered numbers are – company: 2551972, charity: 1001043. Y Hotel Ltd has not traded in the year. Central YMCA Trading Ltd (company number 3667206) produces and markets books and videos. YMCA Fitness Recruitment is a subsidiary of London Central YMCA Limited and has not traded in the year.

YMCA Training has been a subsidiary of Central YMCA since December 2013. This company is a charity with its own Board of Trustees. Its registered numbers are – company: 4379109, charity: 1091612. Significant financial support has been provided to YMCA Training since this time. A total of £4.907m has been provided, made up of £2.827m S75 pension buy-out, £1.000m on restructuring costs and £1.080m for working capital. This had originally been funded by an intercompany loan facility. In March 2016, the Trustees of Central YMCA agreed to convert the £4.907m into grants now recognised as income in YMCA Training. The Trustees have agreed that the Association will continue to support its subsidiaries.

	Total	Total
	2016	2015
	£'000	£'000
YMCA Training Loan:		
Value at 1 April	3,627	-
Additional loans in the year	1,530	3,627
Converted to Grants	(5,157)	-
Balance at 31 March	-	3,627

The loan to YMCA Training has been converted into a grant in 2015-16.

During the year, the Association charged management fees of £217k (£175k 2015) to its subsidiaries. The balances due from the subsidiaries are detailed in note 14 and are unsecured, interest free and repayable on demand.

c) Subsidiary company results and net assets

Subsidiary company results and net assets 2016

	London Central YMCA Limited £'000	YMCA Training £'000	Central YMCA Trading Ltd £'000	Y Hotel Ltd £'000	YMCA Fitness Recruitment Ltd £'000
Summary income and expenditure accounts					
Income	3,342	13,777	496	-	-
Expenditure – recurring	(3,114)	(9,768)	(369)	-	-
Exceptional expenditure	-	(705)	-	-	-
Gift aid donation to the Association	-	-	(127)	-	-
Net surplus / (deficit) for the year	228	3,304	-	-	-
Retained funds / (deficit) as at 31 March 2016	533	(939)	50	(1)	-
	London Central YMCA Limited £'000	YMCA Training £'000	Central YMCA Trading Ltd £'000	Y Hotel Ltd £'000	YMCA Fitness Recruitment Ltd £'000
Summary balance sheet					
Fixed Assets	0	54	-	-	-
Current Assets	1,221	1,400	50	-	-
Creditors: Amounts falling due within one year	(689)	(2,057)	-	(1)	-
Net Current Assets	533	(657)	50	(1)	-
Creditors: Amounts falling due after one year	-	-	-	-	-
Provisions for liabilities	-	(336)	-	-	-
Total net assets as at 31 March 2016	533	(939)	50	(1)	-

Subsidiary company results and net assets restated 2015

	London Central YMCA Limited £'000	YMCA Training £'000	Central YMCA Trading Ltd £'000	Y Hotel Ltd £'000	YMCA Fitness Recruitment Ltd £'000
Summary income and expenditure accounts					
Income	3,631	10,750	455	-	-
Expenditure – recurring	(3,269)	(11,973)	(358)	-	-
Exceptional expenditure	-	(713)	-	-	-
Gift aid donation to the Association	-	-	(97)	-	-
Net surplus /(deficit) for the year	362	(1,936)	-	-	-
Retained funds/(deficit) as at 31 March 2015 as restated	304	(4,243)	50	(1)	-

	London Central YMCA Limited £'000	YMCA YMCA Training £'000	Central YMCA Trading Ltd £'000	Y Hotel Ltd £'000	YMCA Fitness Recruitment Ltd £'000
Summary balance sheet					
Fixed Assets	0	98	-	-	-
Current Assets	1,266	1,116	50	-	-
Creditors: Amounts falling due within one year	(962)	(1,558)	-	(1)	-
Net Current Assets	304	(442)	50	(1)	-
Creditors: Amounts falling due after one year	-	(3,627)	-	-	-
Provisions for liabilities	-	(272)	-	-	-
Total net assets as at 31 March 2015 as restated	304	(4,243)	50	(1)	-

Of the YMCA Training income shown in 2016 £5.2m relates to a grant received from the Association. Although it not expected that any further financial support by way of grants will be needed, further financial support will be made available if required to continue operations and honour all existing contractual commitments for 2017. Subsequent to the year end, £500k was lent to YMCA Training.

Both Y Hotel Ltd and YMCA Fitness Recruitment Ltd were dormant in the two year period to 31 March 2016.

12 Inventory

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Items for resale	<u>4</u>	<u>37</u>	<u>-</u>	<u>-</u>

There is no significant difference between the replacement cost of the inventory and its carrying amount.

13 Debtors

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts due within one year				
Trade debtors	1,088	2,141	196	264
Other debtors	135	384	34	47
Prepayments and accrued income	1,093	950	806	822
	<u>2,316</u>	<u>3,475</u>	<u>1,036</u>	<u>1,133</u>

Trade debtors are stated after provisions for impairment of £214k (2015: £579k).

14 Creditors: amounts falling due within one year

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade creditors	675	876	321	203
Amounts owed to subsidiary undertakings	-	-	521	27
Income tax, social security and VAT	270	210	173	164
Other creditors	-	2	-	2
Accruals	659	387	236	301
Provisions (see below)	247	475	-	-
Deferred income	1,452	1,331	150	76
	3,303	3,281	1,401	773

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Provisions relate to centre dilapidations costs that are expected to materialise in the next 12 months, mostly due to closure of the related sites. The amounts will be dependent on individual property arrangements with landlords.

Deferred income analysis

	Group			Association		
	2015 £'000	Change £'000	2016 £'000	2015 £'000	Change £'000	2016 £'000
Courses to be run after March 2016	811	(265)	546	-	-	-
Health and fitness membership fees	76	74	150	76	74	150
YMCA Training	444	312	756	-	-	-
	1,331	121	1,452	76	74	150

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Deferred income brought forward	1,331	1,293	76	72
Utilised in year	(1,252)	(928)	(76)	(72)
Arising in year	1,373	966	150	76
Deferred income carried forward	1,452	1,331	150	76

The above income arises from the provision of services and has been deferred as the related services hadn't been provided as at the year end.

Provisions

	Group		Association	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Provision for leased property dilapidations				
Expected to be utilised:				
- within one year	247	475	-	-
- after more than one year	335	272	-	-
	582	747	-	-

The provision for leased property dilapidations relates to the estimated liability inherent in the YMCA Training centres. The provisions are expected to crystallise when the properties are vacated; the cost of the

dilapidations will be dependent on the outcome of negotiations with the landlord as to the extent of the required work and construction costs at the time the liability arises.

15 Analysis of total funds

Analysis of total funds – Group 2016

	Revaluation				Designated	Endowment	Total
	General £'000	Property £'000	Investment £'000	Total £'000			
At 31 March 2015	11,380	13,327	3,545	16,872	4,521	716	33,489
Net income / expenditure	(3,928)	-	-	-	-	-	(3,928)
Other comprehensive income	-	1,287	-	1,287	-	-	1,287
Total comprehensive income	(3,928)	1,287	-	1,287	-	-	(2,641)
Transfer between funds							
- revaluation of investments	1,232	-	(1,232)	(1,232)	-	-	-
-depreciation of revalued amount	48	(48)	-	(48)	-	-	-
-designation of funds	(363)	-	-	-	363	-	-
At 31 March 2016	8,369	14,566	2,313	16,879	4,884	716	30,848

Analysis of total funds – Group Restated 2015

	Revaluation				Designated	Endowment	Total
	General £'000	Property £'000	Investment £'000	Total £'000			
At 31 March 2014 - As restated	13,874	12,437	2,387	14,824	4,119	-	32,817
Net income / expenditure	(865)	-	-	-	-	716	(149)
Other comprehensive income	-	821	-	821	-	-	821
Total comprehensive income	(865)	821	-	821	-	716	672
Transfer between funds							
- revaluation of investments	(1,158)	-	1,158	1,158	-	-	-
-depreciation of revalued amount	(69)	69	-	69	-	-	-
-designation of funds	(402)	-	-	-	402	-	-
At 31 March 2015 - As restated	11,380	13,327	3,545	16,872	4,521	716	33,489

The transfer of £48k (£69k 2015) to the revaluation reserve from the general fund in 2015 represents the difference between the depreciation charged on the revalued amount and the historical cost depreciation that would have been charged if they had not been revalued.

The revaluation funds represent the difference between the book value of re-valued assets and their depreciated historical cost. Designated funds represent funds set aside by the Trustees for specific purposes. The Endowment is a capital fund donated to the Group for long term retention and investment; the balance as at the year end represents the original gift and all subsequent capital growth. The General fund represents the balance of the net income of the Group since inception.

Analysis of total funds – Association 2016

	Revaluation				Designated	Endowment	Total
	General	Property	Investment	Total			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2015	15,267	13,327	3,545	16,872	4,521	716	37,376
Net income / expenditure	(7,467)	-	-	-	-	-	(7,467)
Other comprehensive income	-	1,287	-	1,287	-	-	1,287
Total comprehensive income	(7,467)	1,287	-	1,287	-	-	(6,180)
Transfer between funds							
- revaluation of investments	1,232	-	(1,232)	(1,232)	-	-	-
-depreciation of revalued amount	48	(48)	-	(48)	-	-	-
-designation of funds	(363)	-	-	-	363	-	-
At 31 March 2016	8,717	14,566	2,313	16,879	4,884	716	31,196

Analysis of total funds – Association Restated 2015

	Revaluation				Designated	Endowment	Total
	General	Property	Investment	Total			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2014 - As restated	16,014	12,437	2,387	14,824	4,119	-	34,957
Net income / expenditure	882	-	-	-	-	716	1,598
Other comprehensive income	-	821	-	821	-	-	821
Total comprehensive income	882	821	-	821	-	716	2,419
Transfer between funds							
- revaluation of investments	(1,158)	-	1,158	1,158	-	-	-
-depreciation of revalued amount	(69)	69	-	69	-	-	-
-designation of funds	(402)	-	-	-	402	-	-
At 31 March 2015 - As restated	15,267	13,327	3,545	16,872	4,521	716	37,376

Analysis of Group net assets between funds at 31 March 2016

	Unrestricted Funds			Total Funds
	General	Designated & Restricted	Funds	
	£'000	£'000	£'000	£'000
Fund balances at 31 March 2016 are represented by:				
Charitable fixed assets	2,022	14,566	716	17,304
Investments	6,511	7,197	-	13,708
Current assets	3,474	-	-	3,474
Current liabilities	(3,303)	-	-	(3,303)
Long term liabilities	(335)	-	-	(335)
	8,369	21,763	716	30,848

Analysis of Group net assets between funds at 31 March 2015 as restated

	<u>Unrestricted Funds</u>			Total Funds £'000
	General £'000	Designated & revaluation £'000	Restricted Funds £'000	
Fund balances at 31 March 2015 as restated are represented by:				
Charitable fixed assets	3,123	13,327	-	16,450
Investments	7,155	8,066	-	15,221
Current assets	4,655	-	716	5,371
Current liabilities	(3,281)	-	-	(3,281)
Long term liabilities	(272)	-	-	(272)
	11,380	21,393	716	33,489

Analysis of the Association net assets between funds at 31 March 2016

	<u>Unrestricted Funds</u>			Total Funds £'000
	General £'000	Designated & revaluation £'000	Restricted Funds £'000	
Fund balances at 31 March 2016 are represented by:				
Charitable fixed assets	2,684	14,566	-	17,250
Investments	6,511	7,197	-	13,708
Current assets	923	-	716	1,639
Current liabilities	(1,401)	-	-	(1,401)
Long term liabilities	-	-	-	-
	8,717	21,763	716	31,196

Analysis of the Association net assets between funds at 31 March 2015 as restated

	<u>Unrestricted Funds</u>			Total Funds £'000
	General £'000	Designated & revaluation £'000	Restricted Funds £'000	
Fund balances at 31 March 2015 as restated are represented by:				
Charitable fixed assets	3,025	13,327	-	16,352
Investments	10,782	8,066	-	18,848
Current assets	2,233	-	716	2,949
Current liabilities	(773)	-	-	(773)
Long term liabilities	-	-	-	-
	15,267	21,393	716	37,376

16 Designated funds – the Group and the Association

The funds of the Association include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes.

	Balance 31 March 2014 £'000	Set aside / (utilised) in 2015 £'000	Balance 31 March 2015 £'000	Set aside / (utilised) in 2016 £'000	Balance 31 March 2016 £'000
	Great Russell Street Development Fund	3,880	370	4,250	370
Basil Scott fund	239	32	271	(7)	264
Total	4,119	402	4,521	363	4,884

The Great Russell Street development fund is for the cost of refurbishment of the Club premises. The Basil Scott Fund is to provide income to fund educational grants in the name of the late Mr Scott.

17 Restricted funds – the Group and the Association

	Balance			Balance
	31 March	Incoming	Outgoing	31 March
	2015	2015	2015	2016
	£'000	£'000	£'000	£'000
Income funds				
Health and fitness activities	-	188	(188)	-
Training courses	-	16	(16)	-
Endowment Fund	716	-	-	716
	716	204	(204)	716

	Balance			Balance
	31 March	Incoming	Outgoing	31 March
	2014	2015	2015	2015 as
	£'000	£'000	£'000	restated
	£'000	£'000	£'000	£'000
Income funds				
Health and fitness activities	-	88	(88)	-
Training courses	-	164	(164)	-
Endowment Fund	-	716	-	716
	-	968	(252)	716

The training course funds represent income received towards projects to assist 'hard to reach' populations to obtain qualifications. Health and Fitness activities represent the balance of donations received to assist users of the club – in particular for those with HIV/AIDS. The endowment fund is a legacy from the estate of the late Dr Charles Clark, income from which, will be used to assist young people suffering personal problems to achieve specified goals which will contribute to their life chances and personal fulfilment.

18 Exceptional Items

Exceptional items, which relate to a fundamental reorganisation / restructuring are as follows:

	Group		Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Y Touring closure	-	115	-	115
YMCA Training	705	713	-	-
CYQ (Awards)	-	36	-	36
FIT	-	45	-	-
Marketing	-	74	-	74
	705	983	-	225

The Group incurred £0.705m of restructuring costs during 2015-16. These are in line with the strategic objectives of the organisation and will give YMCA Training a stronger platform for growth and development in the coming years.

19 Reconciliation of overall surplus/ (deficit) to net cash outflow from operating activities

	2016 £'000	2015 £'000
Overall (deficit) / surplus	(2,641)	672
Investment income	(402)	(444)
Investment revaluation	1,123	(1,180)
Property revaluation	(1,287)	(821)
Depreciation charges	649	670
Decrease / (increase) in stock	33	(22)
Increase / (Decrease) in debtors	1,159	(1,153)
Increase / (Decrease) in creditors	85	(4,382)
Profit on investments sold	(859)	(415)
Net cash outflow from operating activities	(2,142)	(7,075)

20 Contingent liabilities – the Group and the Association

There were no contingent liabilities at 31 March 2016 or 31 March 2015.

21 Capital commitments – the Group and the Association

There were no capital commitments at 31 March 2016 or 31 March 2015.

22 Operating lease commitments - the Group

The following represent the leasing commitments: -

	Land and buildings 2016 £'000	Other 2016 £'000	Land and buildings 2015 £'000	Other 2015 £'000
Commitments falling due				
within 12 months	478	20	294	27
within 1 to 2 years	219	9	86	14
within 2 to 5 years	39	3	221	5
After 5 years	-	-	213	-
	736	32	814	46

The Association has no lease commitments.

23 Transition to FRS 102

This is the first year that the Group and Association has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes in accounting policies which reconcile the surplus for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

(a) Consolidated Balance Sheet

	Notes	At 1 April 2014			At 31 March 2015		
		Total £'000	Total £'000	Total £'000	Total £'000	Total £'000	Total £'000
		As previously stated	Effect of transition	FRS102 (as restated)	As previously stated	Effect of transition	FRS102 (as restated)
Fixed assets							
Plant, property and equipment	A	11,288	4,832	16,120	16,450	-	16,450
Investment Property		-	-	-	-	-	-
Investments		16,224	-	16,224	15,221	-	15,221
<i>Total fixed assets</i>		27,512	4,832	32,344	31,671	-	31,671
Current assets:							
Inventory		15	-	15	37	-	37
Debtors	B, C	2,712	(390)	2,322	2,759	716	3,475
Short term investments		-	-	-	-	-	-
Cash at bank and in hand		6,071	-	6,071	1,859	-	1,859
<i>Total current assets</i>		8,798	(390)	8,408	4,655	716	5,371
Liabilities:							
Creditors: Amounts falling due within one year	D	(8,763)	828	(7,935)	(4,345)	1,064	(3,281)
<i>Net current assets</i>		35	438	473	310	1,780	2,090
Total assets less current liabilities		27,547	5,270	32,817	31,981	1,780	33,761
Creditors: Amounts falling due after one year		-	-	-	-	-	-
Provisions for liabilities		-	-	-	(272)	-	(272)
Total net assets		27,547	5,270	32,817	31,709	1,780	33,489
The funds of the charity:							
Endowment funds	B	-	-	-	-	716	716
Restricted income funds	E	886	(886)	-	802	(802)	-
Unrestricted fund - general		12,550	1,324	13,874	9,602	1,778	11,380
Unrestricted fund - designated reserves		4,119	-	4,119	4,521	-	4,521
Revaluation reserves	A	9,992	4,832	14,824	16,784	88	16,872
<i>Total unrestricted funds</i>		26,661	6,156	32,817	30,907	1,866	32,773
Total charity funds		27,547	5,270	32,817	31,709	1,780	33,489

(b) Consolidated Statement of Comprehensive income

	Note	Year Ending 31 March 2015		
		As previously stated £'000	Effect of transition £'000	FRS102 (as restated) £'000
Turnover	B	19,377	967	20,344
Operating expenditure	C, D	(22,921)	287	(22,634)
Other income		-	-	-
Operating (deficit)/surplus		(3,544)	1,254	(2,290)
Gains/(losses) on investments		1,697	-	1,697
Interest receivable		444	-	444
Surplus / (deficit) before taxation		(1,403)	1,254	(149)
Taxation		-	-	-
Surplus / (deficit) for the financial year		(1,403)	1,254	(149)
Revaluation of property	A	5,565	(4,744)	821
Total comprehensive income / (expenditure) for the financial year		4,162	(3,490)	672

(c) Restatement of the Association's reserves

	Notes	At 1 April 2014			At 31 March 2015		
		£'000	£'000	£'000	£'000	£'000	£'000
		As previously stated	Effect of transition	FRS102 (as restated)	As previously stated	Effect of transition	FRS102 (as restated)
The funds of the Association:							
Endowment funds	B	-	-	-	-	716	716
Restricted income funds	E	886	(886)	-	802	(802)	-
Unrestricted fund - general		15,167	847	16,014	14,610	657	15,267
Unrestricted fund - designated reserves		4,119	-	4,119	4,521	-	4,521
Revaluation reserves	A	9,992	4,832	14,824	16,784	88	16,872
<i>Total unrestricted funds</i>		29,278	5,679	34,957	35,915	745	36,660
Total funds		30,164	4,793	34,957	36,717	659	37,376

A Revaluation of long leasehold property

The Group's long leasehold properties were revalued as at 1 April 2014 and those valuations adopted in preparing the transition balance sheet. The transition balance sheet prepared under the previously accounting standards was based on 2011 valuations which did not reflect the value of the properties as at 1 April 2014. As such, this adjustment is the correction of an accounting error (the change in the basis of valuation from existing use value to fair value had no impact on the valuations). This adjustment moves the majority of the material change in the valuation prior to 1 April 2014 and reduces the positive impact on the 2015 statement of comprehensive income.

B Endowment

This endowment is a legacy from the estate of the late Dr Charles Clark. The executor of Dr Clark's estate had been in correspondence with another YMCA in early 2015 and Central YMCA was late in being notified of the legacy and it was not included in the 2015 financial statements. The estimated £0.716m share of Dr Clark's estate will sit in a separate investment fund once the estate is concluded. This has now been accrued in accordance with SORP 2015 as income as at 31 March 2015.

C Provision for Bad Debts

Provisions made in 2015 have been further analysed and balances of £390,000 relating to 2014 and prior years, which were erroneously excluded from the 2014 provision, have been adjusted in the 2013-14 balance sheet.

D Release of Deferred Income Provision

Learner support and bursary income provisions from the acquisition of YMCA Training and subsequently in 2014 and 2015, have been released as part of further scrutiny and analysis under new FRS102 guidance. The balances for these years were deemed to have been incorrectly deferred.

E Employee Benefits

Provisions have been included in 2013-14 and 2014-15 for the value of employee holiday entitlement un-used at the balance sheet date.

F Restricted reserves

Capital grants received for the development of the One KX building in 2006 and 2007 had previously been held as restricted reserves and released to general reserves over the life of the building. Having reviewed this treatment as part of the transition to FRS102, Trustees no longer believe that these amounts need to be reported as restricted.