



YMCA

Annual Report and Accounts 2018
Central Young Men's Christian Association

A safe space.

A space where everyone is welcome.

Somewhere to learn new skills, be healthier, meet people and make a connection.

– this is Central YMCA



The Central Young Men's Christian Association and subsidiary undertakings

Registered Charity number 213121

Company registered number 119249

Trustees' Annual Report and consolidated financial statements for the period ended 31 July 2018

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Chair's Introduction

Mark Andrews Chair

It gives me great pleasure to introduce the Trustees' Annual Report, which sets out for our members, partners and the general public our achievements over the past year alongside our future plans for the Charity.

It's been a very busy year at Central YMCA, with hard-fought progress achieved in year one of an ambitious two-year strategic plan for 2018 and 2019. A focus on brand unification and product clarification within the Charity has enabled us to update our language and messaging to reflect in contemporary terms our mission, in line with the Charity's objects, to serve the needs of our communities, to ensure that no-one is left behind.

Our long-term vision and our emphasis on building partnerships with likeminded organisations, will enable us to pool expertise and resources to secure financial stability and ensure that we are better placed to deal with the increasing funding pressures being widely felt across the sector. Strengthened partnerships will also enable us to access wider participation and continue working with some of the most vulnerable in our communities.

On behalf of the Board I would like to thank our excellent staff and volunteers for their continuing hard work and dedication. I should also like to thank the Trustees who retired from the Board this year for their invaluable service and ongoing support and commitment to the Charity. As we all look to the year ahead and the next phase of evolution of Central YMCA, I personally look forward to working with the Board, the Chief Executive and our partners as we strive to achieve our ambitious goals.



Chief Executive's Statement

Rosi Prescott Chief Executive

The mood across the Charity, as we close 2018 and look to 2019, is one of palpable excitement and true team spirit. The desire to secure our future and continue to do good work is as strong now as it ever has been during my 25 years within Central YMCA and the YMCA movement.

As we come through a challenging past five years, following the merger with YMCA Training, we enter a new phase where we can look forward with some confidence and foster the creativity and innovation that has historically always been our byword.

We have embraced new, simplified 'brand messages' that home in on our commitment to safe and inclusive spaces; where listening to the needs of our customers, members and learners informs the design of all new products and services across education and wellbeing. This simplified expression of our core purpose aligns closely with the ethos of last year's Eudaimonia! campaign and our vision of happy, healthy and more fulfilled lives for all.

In order to achieve these ambitious goals, 2017/2018 saw the inception of a two year strategy to bring to a halt the operational deficit and return the Charity to a surplus operating model by 2019. The delivery of this objective would represent an outstanding transformation across the organisation. No mean feat...

Despite the backdrop of deep uncertainty throughout the apprenticeship market and the financial pressures felt from the increasingly commercial and competitive environments within which provide services, staff in every corner of the Charity have worked tirelessly to better our performance this year – resulting in a more than £2.4m improvement when compared to the previous financial period. A net deficit of £2.1m in 2018 (before gains on investments and the revaluation of our assets) versus a deficit of £4.5m in 2017 demonstrates that we are over half way to achieving our 2019 target.

A relentless focus on quality and customer service across the board has borne fruit during the period; however, income generation to support our programmes has been the greatest challenge. To mitigate this, the Charity's carefully planned strategy of investment in our infrastructure, alongside deep systems and process reviews has enabled us to respond faster and smarter to market and social forces, and to manage costs to balance any lower income.

As has always been the case, our core offer is predicated upon inclusive programmes and opportunities for those within our communities. The next phase of our strategy will concentrate on further developing those programmes in order to truly offer equal access across our portfolio, whatever their personal barriers may be.

So, as we gear up for our 175th birthday in 2019 and the associated celebrations here in London, where the now world-wide Movement began, George Williams' founding vision of a safe harbour, where people can learn and grow without judgement, remains as strong and true today as then. By committing ourselves wholeheartedly to that vision, we will strive to support the wellbeing of all our communities and the staff who serve them, so that no-one is left behind!

Trustees' Annual Report

Public Benefit Statement

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

Objectives and activities

The purpose of the Association is ***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 purpose in turn forms the bedrock of 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.***

The Trustees ensure that this purpose is carried out for public benefit through a commitment to work with all people and all partners. Working with local and national government, the public and private sectors to help individuals and organisations to grow and bring lasting benefits, through training, education and inclusion.

The overarching strategic aims of the Association are in line with our mission:

- to create, provide and promote opportunities to develop in mind, body and spirit, especially for the young and those in need

The principal activities for the year were to provide:

- a broad range of relevant training programmes, in the form of vocational and work-based learning programmes and continuous professional development courses, delivered through YMCA Training and YMCAfit, 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 at the Club and One KX, designed to encourage people of all ages 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; with prices reduced or waived where appropriate
- a wide range of nationally recognised vocational qualifications developed and managed by YMCA Awards 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.

BELIEF

We believe that everyone can flourish with the right opportunities and support

WHO WE ARE

We've been changing lives through education and wellbeing since 1844



MISSION

Inspire and empower through opportunities to flourish in mind, body and spirit

WHAT WE DO

We help people to be happier, healthier and more fulfilled.



VISION

Happier, healthier, more fulfilled

Group Strategic Report

Our Activities and Impact – Health and Wellbeing

Central YMCA's dedicated health and wellbeing programmes serve our community members of all ages and centre around our two central London venues.

YMCA Club is the largest Health and Wellbeing facility in Central London and the centre of excellence for the Charity's fitness training activity. The Club focuses on the health and wellbeing of local workers, residents and schoolchildren. 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.

The year saw the significant investment of over £1.6m in the Club facilities; upgrading its technological infrastructure, completely refurbishing its iconic swimming pool and creating new multiuse spaces for teaching and community engagement activities.

Maintaining core membership during the works in the Club was the greatest challenge for the team, accentuated by the increasing number of direct competitors emerging from the 'budget club' sector. Core membership numbers closed for the year with 3,052 members (3,364 in 2017) a 9% net decrease over the year (equal to a 9% decrease in 2017). The majority of these were during the period of refurbishment after which membership steadied. At peak times during the year, the Club hosted over 1,129 (1,228 in 2017*) users per day.

The Club encourages people from all walks of life to improve their health and provides a welcoming space for a broad range of healthy living and community groups in line with the Charity's mission. Our Community Programme remained steady over the year with total membership numbers peaking during the period at 3,169 and closing at 2,879 (3,018 in 2017). 14 sub-programmes offer a focus on breaking down barriers to health and wellbeing for societal groups such as our older adult community, local children (through our YActive programme) and young people at risk or not in education. Some direct costs are funded by partner organisations but all are subsidised by the YMCA through staffing and the provision of facilities paid for by core members of the Club.

Medical referral programmes saw 236 (184 in 2017*) referrals and the Club also supported 257 (265 in 2017) members known to be living with HIV, for whom it 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.

Funding was obtained from Birkbeck University to take part in their Project Gym Mind Body research project launched in 2018 looking at the impact of physical activity on students suffering with mental health conditions. We saw 18 students through an 8-week gym programme and 26 students through a 6 week class programme. The RENEW Exercise and Cancer referral scheme for young people (18-30 years) also supported 30 young people in the period.

*Denotes a comparative 12 month operating period to 31 July 2017

The YActive team engaged with over 2,100 children through both its schools and Club programmes. This resulted in 2,835 Playscheme and 11,934 term time course session visits respectively. 22 families benefited from free Playscheme places and 63 children were supported with discounted termly courses in a range of wellbeing activities.

The Club welcomed 523 (665 in 2017*) youth members. 30 young people who previously had negative experiences with sport and exercise took part in a three-month programme in partnership with Nike, where they explored a range of fitness classes in the safe environment of the Club, resulting in rejuvenated motivation to lead healthier lives.

50 young people took part in a range of free activities at the Club over the summer holidays in partnership with Camden Council, learning new skills in first aid, trampolining and cooking. 10 young people took part in Dame Kelly Holmes Trust's Community Champions programmes leading sports sessions in their local communities, positively impacting a further 34 young people.

Each area of the Club's programme is delivered by specialist-qualified staff and is supported by over 200 volunteers fulfilling a variety of roles.

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, including free and discounted courses. Class and workshop participation continues to grow and now delivers to approximately 780 participants monthly (700 per month on average in 2017*). Space is available to rent daily, weekly and monthly for charities and educational providers that complement the centre's mind body programmes. The One KX team continue to engage with South Camden Youth Access Point and Camden Council to support our growing community offering.

YACTIVE

team engaged with over 2,100 children

CLUB

welcomed 523 youth members

POSITIVE HEALTH
EXERCISE REFERRAL
PROGRAMME

184 REFERRALS
270 MEMBERS



3,052

Core members in the Club

**MEDICAL REFERRAL
SCHEME 88%**

completers were extremely likely
to recommend our programme

PE AND
WELLBEING
PROGRAMME
FOR LOCAL
SCHOOLS

3,360

School sessions delivered

780

PARTICIPATED IN
WORKSHOPS AT ONE
KX PER MONTH

69

PARTICIPATED IN THE
LANGUAGE AND ARTS
PROGRAMME

2,879

TOTAL COMMUNITY
PROGRAMME
MEMBERS

140

YOUTH PROGRAMME
HOURS VOLUNTEERED

OVER 85,039

user of the extensive group exercise programme



30 Participated in the
Nike programme



11,934 PLAYScheme
SESSION VISITS

645 YACTIVE MEMBERS

Our Activities and Impact - Education

YMCA Training is Central YMCA's training operation and is one of the largest charity training providers in the country working nationally. This operation provides education and opportunities for employment for young people and adults, irrespective of their background and experience, working closely with local businesses to support our wider communities.

Some of the work is strategically based in socially and economically disadvantaged communities. Here the Charity aims to ensure that those who have low prior attainment and who are facing personal challenges are also provided the opportunity to start a career journey within the sectors we work.

YMCA Training offers a broad portfolio of education, training and employment services. Its vocational training activities can be categorised as follows:

- Post-16 Study Programmes in preparation for Apprenticeships and/or employment
- Apprenticeships, Advanced Apprenticeships and Traineeships
- CPD opportunities and accredited courses for employers
- Pre 16 Alternative Education provision for children who have not thrived in a formal education environment

The greatest risk to our training provision is the reliance on government contracts; although in 2018 it was not the contract values themselves that impacted the Charity but the introduction of new qualifications and underlying policy changes as result of the apprenticeship reforms, reducing demand in the market. High profile failures of large apprenticeship providers have also rocked confidence in the market.

During a period of significant market instability we supported 1,263 learners on apprenticeships (2,917 learners in 2017), with 64% achieving all their study aims (64% in 2017).

Study Programme learner numbers for the period were up at 728 learners (689 in 2017). 60% of these learners positively progressed onto either further education at college or employment (53% in 2017). This increase and subsequent ESFA contract growth was supported by the careful use of strategic subcontractor relationships, offsetting lower than forecast learner recruitment within our own provision due to the success of local schools in retaining pupils in line with the government's 16-19 agenda.

YMCAfit has enjoyed a long-standing reputation for delivering industry-leading training in health, well-being and fitness training. 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 individual goals. Customers for YMCAfit courses range from those aspiring to train elite athletes to those wishing to improve the quality of life for the mobility impaired.

A total of 2,977 students completed courses (4,262 in 2017 over the 16-month financial period). The projected work-based learning achievement rate of 82% for learners in the 2018 academic year represents an increase on the previous year (79% in 2017) and is significantly higher than the comparative national average of 73%.

Two InstructAbility courses were delivered benefiting 11 students living with disability throughout England. We are currently working with Aspire, a registered charity, to secure additional funding in order to continue delivering this award-winning programme. We continue to work with partners to support leisure operators in providing more inclusive and accessible physical activity opportunities for disabled people resulting in an improved "Quest" assessment (UK quality mark for operators).

YMCAfit continues to be a "Partner of Distinction" with Merrithew Pilates with the UK's only Licensed Training Centre for STOTT PILATES® at **One KX**.

YMCA Awards is an international awarding organisation, offering professional qualifications and learning resources for those starting or developing their careers, predominantly in the health and fitness sector. YMCA Awards certificates over 18,000 qualifications every year across Britain and 9 other countries. Our qualifications are currently delivered by 329 education providers.

In 2018 YMCA Awards felt the impact of a difficult and very competitive commercial climate. 23,852 learners (33,820 in 2017) were registered across 83 (80 in 2017) vocational qualifications, with 18,300 (23,067 in 2017) certificates issued to learners who had successfully passed their assessment.

In order to create a unique identity within the qualifications market and in line with the Charity's values, in August 2018 YMCA Awards launched a 'fair and transparent' pricing model for our customers. Initial feedback from customers has been very positive. We have also begun to widen our award-winning digital product portfolio and have launched our first apprenticeship end point assessment qualification.



STUDY PROGRAMME

60% progressed into employment or further training

APPRENTICESHIPS

64% of learners achieved (vs 66% national average)

FIT PARTICIPANTS

82% of adult loan learners achieved (vs 73% national average)



OVER 83
QUALIFICATIONS CERTIFIED

32 **HELP for**
HEROES 
Support for our Wounded

participated in YMCAfit
diploma in personal training

**WORKING WITH 329 CENTRES
TO DELIVER OUR QUALIFICATIONS
IN THE UK AND 9 OTHER COUNTRIES**

**16-19 STUDY PROGRAMME
BURSARY SCHEME 77%**

of YMCA learners were supported through the scheme

The 2018-2019 two-year strategy and plans for future periods

The two-year corporate strategy that started in the autumn of 2017 articulated a new combined whole Charity focus with clear strategic priorities centered around:

- Brand unification within the new merged charity
- Achievement of a long term, financially sustainable and scalable operational model
- The reinvention of our business development, new product development and partnership management processes through continued investment in technology and a solid digital platform to support more effective stakeholder relationships and encourage innovation as we develop our product portfolios
- Review of more localised membership and community engagement opportunities/programmes in the Club and wider centres through the Eudaimonia! campaign
- A full estate refresh including the re-imagining of the Club's community spaces and swimming pool
- Achievement of an Ofsted Outstanding grade
- A comprehensive review of our people strategy acknowledging that our staff and their commitment to our beneficiaries is our enduring advantage

As expected, the first year was characterised by a significant focus on business development and building upon our key partnerships, the ongoing review of our staffing structures, the investment in IT infrastructure and the remaining estate; to ensure that our delivery model was agile and scalable. There is still some work to do on this, but most of the first-year projects are now complete. The financial projections had forecast a reduced deficit from operations of £0.9m in 2018 and a surplus from existing operations in 2019. Losses were greater in 2018 than predicted with a £1.4m deficit shown but still demonstrate a significant improvement against the comparative prior year period. A cautious approach to income projections for 2019 supported by further cost savings deliver a more muted contribution projection from operations and a breakeven budget.

2019 will focus the Charity's portfolio of products, programmes and services on its 'hero' products and a focus on 'doing what we do well, better'. Working with industry partners, where possible, to champion our expertise in the markets within which we operate, the Charity aims to strengthen brand awareness and ensure a greater reach to potential beneficiaries.

The Trustees recognise that the strategic priorities for the two years were ambitious and the pace of change across the organisation will continue to be challenging. The Trustees are committed to investing in its operations and the charitable work they perform and will work closely with the leadership team to support the Charity to hit the breakeven forecast for 2019.

The Trustees and leadership team have begun planning for the next strategic phase of 2020-2021 in light of the new brand language articulated and a clarified charitable positioning within our markets, the third sector and the wider YMCA Movement. This new strategic phase will see a greater emphasis on both fundraising through individual giving opportunities and fundraising through corporate partnerships, to build on our equity programmes. These programmes are what differentiate us as a charity in our markets, enabling our members and learners to break down their personal barriers to access and increase social capital through opportunities to build positive relationships on our programmes and through our services.

As the Charity begins to find a better balance of both health and wellbeing and education in its language and activity, we are now, more than ever, committed to creating a space where everyone is welcome, somewhere to learn new skills, be healthier, meet people and make a connection.

The financial period in review

12 months to 31 July 2018 vs 16 months in the prior financial period to 31 July 2017

For the Central YMCA Group 2018 saw a turnaround in performance and significant headway made against the two-year roadmap to financial sustainability. Whilst key non-financial performance indicators focused on learner achievement, learner numbers and achieving an improved outcome from an expected Ofsted inspection; the key financial performance indicators tracked planned spend against the next phase of organisational investment and transformation and contributions from the charitable operations.

The benefit of cost savings and restructuring in 2017 were realised in 2018, representing a 6% month on month cost improvement compared to the prior year. This helped the Charity to combat significant challenges in income generation due to market conditions.

The year produced a £2.4m improvement in performance before gains and losses on investments and revaluations against the prior 16-month period as seen in the table below.

Share of the deficit/surplus contribution from each of the charitable operations (after central support cost allocation but excluding restructuring costs):

Operation	2018 12 months £'000	2017 16 months £'000
Wellbeing		
The Club	(1,040)	(612)
One KX	(58)	(91)
Education		
YMCA Training	(1,387)	(2,391)
YMCAfit	26	(638)
YMCA Awards	(134)	(780)
Overall deficit from charitable operations	(2,593)	(4,512)
Net investment income and surplus on commercial trading	422	765
Net outgoing resources for the period before restructuring costs and voluntary donations and gains and losses on investments and revaluations	(2,171)	(3,747)
Voluntary Income	257	22
Restructuring costs	(159)	(759)
Net outgoing resources for the period before gains and losses on investments and revaluations	(2,073)	(4,484)
Net gains on investments	345	2419
Net expenditure	(1,728)	(2,065)
Gains on revaluation of fixed assets	290	43
Net movement in funds	(1,438)	(2,022)

CONTRIBUTION FROM THE
OPERATIONS BEFORE SUPPORT
COSTS ALLOCATION

£1.3M | 9%

of revenue 2018

£0.4M | 2%

of revenue 2017 (16 months)

INVESTMENT PORTFOLIO VALUE
/ INVESTMENT PERFORMANCE

£10.7M | 6%

return 2018

£14M | 22.9%

return 2017



CENTRAL SUPPORT
COSTS

£4.0M

2018

£6.9M

2017 (16 months)



RESTRUCTURING COSTS

£159K

2018

£759K

2017



CAPITAL INVESTMENT
INTO THE ESTATE AND
IT INFRASTRUCTURE

£188K

2018

£722K

2017



STAFF COSTS
AS A % INCOME

56%

2018

65%

2017

Financial review

At the inception of the two-year strategic plan for 2017-2019 it was recognised that the merger of YMCA Training into the wider Central YMCA organisation had been both culturally and financially a significant challenge for the Charity. YMCA Training has required the investment of a substantial amount of reserves to turn the operation around in a climate of deep sector uncertainty.

Since 2013 there has been wholesale change to the national education agenda, with significant cuts in the FE sector compounded by the introduction of the apprenticeship reforms. This has impacted upon progress with organisational turnaround but we have worked hard to meet challenges faced and continue to strive and make progress towards a model that:

- Delivers better quality for learners and businesses
- Depends less on physical centres for flexibility
- Has a staff structure allowing a better balance of teaching staff to learners and support staff to support

Trustees are reassured that the two-year plan and associated measures put in place to stem the deficit and turn the loss-making operations around are beginning to reap rewards.

Increased participation in YMCA Training's study programme provision in 2018 resulted in a positive 9% increase in our ESFA contract and improved financial performance in the year. However, in regard to both measures the Charity was heavily reliant on key strategic subcontractor relationships in 2018; working closely with providers that share a passion for vocational training in sectors aligned with our own. The Charity's own internal delivery is yet to contribute to central overheads. Unaffordable infrastructure costs in the remaining historic premerger estate are no longer sustainable. Alternative accommodation solutions are being located nationally to support our programmes for 2019, through strategic partnerships and with greater community access a key driver of each proposal.

The cost challenges seen in the study programme were accentuated by apprenticeship recruitment which was significantly impacted by the market collapse as a result of the introduction of the Apprenticeship Levy. The new and more scaleable staffing and infrastructure was better positioned to respond to the apprenticeship landscape but the response was not fast enough, and reduced apprenticeship income was the key driver for the Charity not achieving its budget for the year.

YMCAfit remained a relatively steady operation in year producing a small surplus after overheads. A carefully targeted market price realignment in the last quarter was welcomed by the market and offset some initial underperformance in the first half of the year.

Income and membership numbers affected by building works on the Club in the first quarter of 2018 did not pull back sufficiently in year but have steadied in the last two quarters ahead of 2019. The separation of the new product development team from YMCA Awards has given greater clarity in relation to the true opportunities within this function.

All areas of the Charity have seen further small-scale restructuring activity as a result of the merger and flattening of our management structures. Although 2018 saw a shortfall to budget it is expected that 2019 will see the benefits of this activity and it is expected that the operations will breakeven in line with the original two-year strategic plan.

Net 'commercial' trading income of £422k in the period was broadly in line with last year on a month on month basis (2017 – 16 months - £765k - the difference being mainly due to the extended financial period).

The balance sheet shows net current liabilities of £1.5m; however, nearly all of this consists of a £1.5m loan secured against investments on a three-month rolling term. Working capital is being closely managed during this time of investment and restructure.

The gain on revaluation of the Club on Great Russell St is the net impact of writing off the full value of the capital additions from building works in year against a new higher valued structural asset.

The greatest risk to the Charity is the erosion of reserves; however, we end the year with overall reserves of £27.4m (2017 £28.8m) and with £10.4m (2017 £13.7m) in investments and £0.5m in cash (2017 £0.9m) ensuring the group remains in a strong position to continue to support the restructuring, repositioning and the necessary investment to ensure a sustainable future for the Charity.

The remedial action in progress is starting to bear fruit (albeit slower than anticipated due to the challenges in the apprenticeship market). This positive change in performance combined with the healthy reserve position, allows Trustees to remain confident that the Charity remains a going concern.

Fixed assets

The principal changes in the fixed assets of the group were additions of £2.2m (£0.6m in 2017), out of which £1.6m related to the second phase of the Club refurbishment; including the full renovation of multi-purpose spaces and the swimming pool (completed in January 2018), £0.1m of new software additions and £0.3m of new intangible intellectual property assets (IP) were also created to support the launch of new Awards hero products in gym-based training.

The positive increase in value of the Great Russell Street property as at the 31 July 2018 (£1.2m) provided a revaluation gain of £0.3m at year end after offsetting the cost of the works completed in year.

Employment policies

The Trustees recognise the importance of good communications and relations between management and employees. The Charity is an equal opportunity employer and does not discriminate on the grounds of disability, age or gender.

Staff communication is provided through national staff roadshows and conferences, regular updates through emails, briefings from line managers, the staff intranet portal and an active Human Resources team.

Central YMCA is currently assisted in its work by invaluable support of 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 in order to maintain the range of community programmes on offer and deliver against our charitable aims.

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 financial period. The Trustees would like to thank all those who contributed to the Association's work. The grants are summarised as follows:

	£'000	Used for
Wellbeing grants received		
Birkbeck University	5	Project Gym Mind Body
Islington PCT	5	HIV/AIDs support
Camden PCT	5	HIV/AIDs support
London Borough of Camden	6	Summer courses for young people
London Borough of Westminster PCT	8	Community Health and Wellbeing Improvement – Exercise referral scheme
Dame Kelly Holmes Legacy Trust – Community Champions project	8	Youth leadership and physical activity projects
Education grants received		
InstructAbility, Aspire	16	InstructAbility Programme
Help for Heroes	16	InstructAbility Programme
Total Group and Association	69	

Dependence on donations

The Charity is not dependent on donations to support our services or facilities. We were very grateful to receive five legacies over the year, amounting to £257k (£22k in 2017). Our thoughts are with the families of these individuals this year; we will always be grateful for their fellowship and commitment to the YMCA and the work we do.

Risk management

The Board of 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
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

The Board of Trustees consider that the main risks to the Charity are:

- eroding reserves from ongoing operational losses if current performance trends do not continue
- the extent to which the Charity is dependent on government funding of educational courses
- an external event impacting on the buildings used by the Charity
- 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
- failure 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's attention.

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

- The Charity 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 Charity complies with relevant laws and regulations.

The Charity is exposed to risk through its financial instruments where these instruments are primarily investments. The Board seeks to minimise the Charity's 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. With aged debt over 365 days fully provided for, the remaining debt is deemed a low exposure to credit risk as a significant proportion relates to deferred income.

Investment powers

Under the Articles the Association has the power to invest in any way the Board of Trustees wish. Rothschild manages an investment portfolio on behalf of the Trustees and 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% per annum above inflation (CPI) over the long term (before taking account of cash distributions to Central YMCA).

The portfolio as at 31 July 2018 was showing a +6% return for the year (+23% 2017 over the 16 months' period).

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 Working Group meets regularly with Rothschild to discuss the investment strategy. Details of investments are set out in Note 11 of the accounts.

Reserves policy

The Board of 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. This policy was reviewed in 2018 and the Board agreed that the previous policy that free reserves should cover six months' operating expenditure was still appropriate for the Charity. This equates to approximately £8.3m. During the year, the previously designated reserve for the Great Russell Street redevelopment was undesignated as there is now no definite intention to commit to future redevelopments.

As at 31st July 2018 the Group's reserves are as follows:

Reserve	Current reserves 2018	Further information
Funds represented by property, plant and equipment	£18,658k	The funds invested in tangible fixed assets are not freely available to the Group and therefore are excluded from free reserves.
Restricted endowment reserves	£716k	These are funds which are restricted as to their future use and therefore are not freely available.
Designated reserve – Basil Scott fund	£264k	The fund is designated to provide educational grants in the name of the late Mr Scott. This fund will be integral to a new programme of charitable bursaries to be launched in 2019 and centred around breaking down barriers.
	£7,750	
Free reserves		The six months' operating funds target is around £8.3m and so the free reserves are currently at 93% of the target.
Total Group reserves	£27,388k	

Virtually all of the free reserves are held in investments (and so also provide income). It is the intention of the Board that on successful achievement of the 2019 forecast the Charity will no longer rely on its reserves to support its operations. Going forward the majority of these investments will be retained on a long-term basis to provide income for capital investment or to support specific programmes that sit close to the heart of the Charity's objects through an internal innovation fund bid system. The Charity's forecasts aim to build reserves again from 2020 to ensure the free reserves target is met. The Board 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 2018 and it is proposed that the Charity will review its audit and internal audit requirements in 2019 in consideration of the new simplified corporate structure.

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 2017. It is registered as a charity with the Charity Commission. There are currently 18 Full Members (18 in 2017). Reference and administration details can be found on the final page of this report.

Charitable objects

The charitable objects of the Association, as set out in its Articles (last reviewed in June 2017), 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) and aims to:

- I. Provide a welcome to Members and beneficiaries for themselves, in a meeting place which is theirs to share, where friendship can be made and counsel sought
- II. Develop activities which stimulate and challenge its Members and beneficiaries in an environment that enables them to take responsibility and find a sense of achievement
- III. Involve all Members in care and work for others
- IV. Create opportunities for exchanging views, so that its Members can improve their understanding of the world, of themselves and of one another
- V. Relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances.

Appointment of Trustees

Trustees are elected by Full 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 Charity must have a minimum of three Trustees at any time and the Nominations Committee supports the recruitment of Trustees. When deciding how to recruit trustees, the Board thinks about how best to attract a diverse pool of candidates and tries to achieve diversity in any trustee appointment panels. The Board also makes a positive effort to remove, reduce or prevent obstacles to people being trustees by reviewing the timings of meetings, offering reimbursement for reasonable expenses and considering how vacancies are publicised.

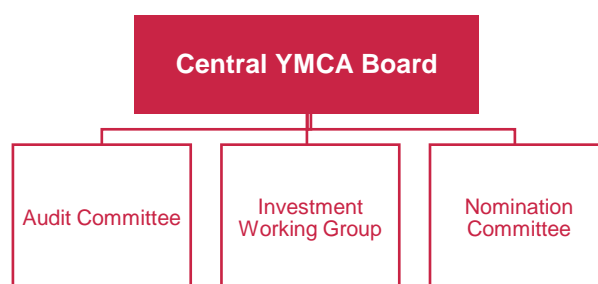
Annual Board reviews

The Board undertakes a full review on an annual basis to evaluate board performance and looks at compliance against the Charity Governance Code. It also reviews its structure, size and composition and carries out an audit of skills, experience and diversity of background of its members to find imbalances and gaps and inform trustee recruitment. The Board sets its own diversity objectives at the start of each year and these are also evaluated annually. The Board has set maximum terms of service in line with the recommendations of the Charity Governance Code and any Trustees appointed for longer are subject to a rigorous review to ensure that there is periodical progressive refreshing of the Board.

Trustees' induction and training

All 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 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. Trustees also undertake regular training in relation to their responsibilities for safeguarding, Prevent, health and safety, information governance and equality, diversity and inclusion. A training needs analysis is also undertaken as part of the annual Board review.

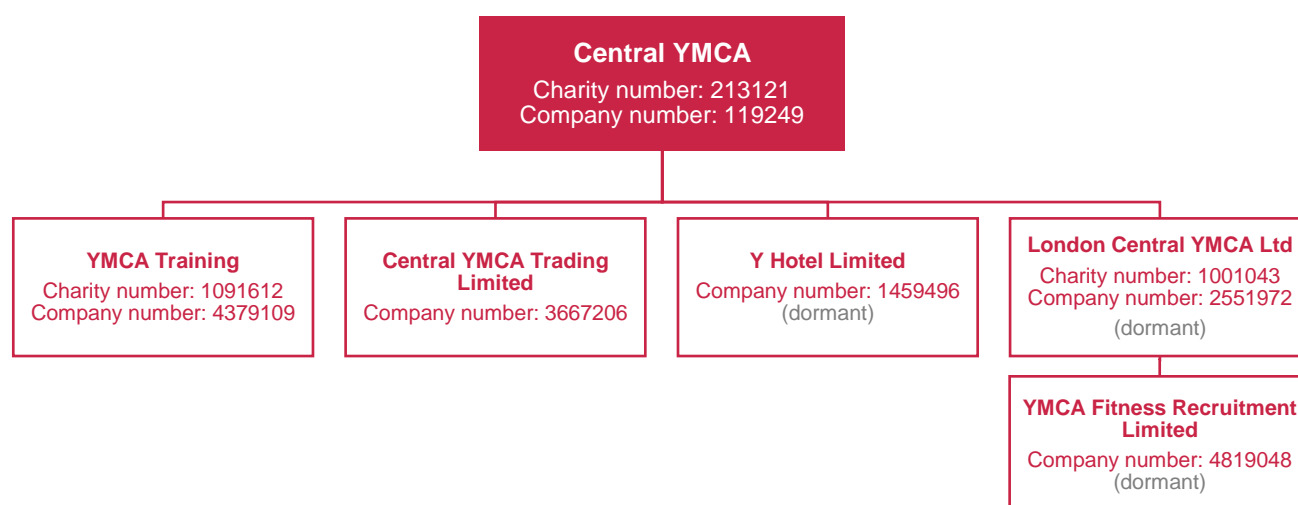
Organisation



The Board of Trustees administers the Association. During a period of significant organisational change and for the financial year, the Board decided to meet monthly rather than quarterly. As part of this change it was decided that the responsibilities of a number of committees would be absorbed into the workplan of the full Board. This ensures all Trustees are able to consider important compliance matters such as regulatory compliance and the Charity's safeguarding, Prevent and health and safety obligations in sufficient depth. This new structure also allows all Trustees to have a comprehensive and up to date view of performance.

The Audit sub-committee; however, continues to meet twice per year and the Investment Working Group oversees the Association's investments. The nominations committee meets as required. The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the 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 finance, employment and operational activity.

Group Structure



Central YMCA Trading Ltd 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.

YMCA Training fell dormant in the year as the final ESFA contracts novated to Central YMCA.

Central YMCA, as the founding YMCA, was also active within the national and global YMCA Movement during the year.

Accounting period change in prior year

In the previous financial period, it was decided by the Board of Trustees to extend the accounting period from 31 March 2017 to 31 July 2017 and align the Charity's financial planning and reporting cycle with the majority of its funding cycles. Therefore, although the current year figures to 31 July 2018 represent a 12 month accounting period, it should be noted that the previous period used as a comparison covers sixteen-months.

Statement of Trustees' responsibilities

The Board of 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 Board to prepare financial statements for each financial period. 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 period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the 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 Board 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 Board of Trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Board 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 Charity's auditor is aware of that information.

On behalf of the Board

P Campbell

Honorary Treasurer

M Andrews

Chairman

A Henderson

Company Secretary

Date approved: 29 November 2018

Registered Office:

112 Great Russell Street

London

WC1B 3NQ

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

Opinion

We have audited the financial statements of Central Young Men's Christian Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Association Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2018 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Other information (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Annual Report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

Use of our report

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

Jonathan Pryor

Senior Statutory Auditor, for and on behalf of

25 Moorgate

Nexia Smith & Williamson

London

Statutory Auditor

EC2R 6AY

Chartered Accountants

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

Consolidated Statement of Financial Activities

incorporating the Income Statement

for the year ended 31 July 2018

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018 12 months £'000	2017 16 months £'000
Income and endowments from:		£'000	£'000	£'000	£'000	£'000
Donations and legacies		257	-	-	257	22
Charitable activities		14,560	76	-	14,636	19,483
Other trading activities		623	-	-	623	740
Investments		328	-	-	328	563
Total income	5	15,768	76	-	15,844	20,808
Expenditure on:						
Raising funds		529	-	-	529	538
Charitable activities:						
- Charitable operations		17,153	76	-	17,229	23,988
- Restructuring costs	18	159	-	-	159	766
Total expenditure on charitable activities		17,312	76	-	17,388	24,754
Total expenditure	6	17,841	76	-	17,917	25,292
Net gains / (losses) on investments		345	-	-	345	2,419
Net expenditure		(1,728)	-	-	(1,728)	(2,065)
Other recognised gains/losses:						
Gains on revaluation of fixed assets	10	290	-	-	290	43
Net movement in funds		(1,438)	-	-	(1,438)	(2,022)
Reconciliation of funds						
Fund balances brought forward		28,110	-	716	28,826	30,848
Fund balances carried forward	15, 16 & 17	26,672	-	716	27,388	28,826

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 gain on revaluation of fixed assets, are unrestricted for both financial periods.

Consolidated Balance Sheet

Company number: 119249

as at 31 July 2018

	Note	31 July 2018 £'000	31 July 2017 £'000
Fixed assets			
Intangible - IT Software	10	387	92
Plant, property and equipment	10	18,422	17,176
Investments	11a	10,357	13,726
<i>Total fixed assets</i>		29,166	30,994
Current assets:			
Inventory	12	2	2
Debtors	13	2,121	1,543
Cash at bank and in hand		544	897
<i>Total current assets</i>		2,667	2,442
Creditors: Amounts falling due within one year	14	(4,177)	(4,278)
<i>Net current liabilities</i>		(1,510)	(1,836)
Total assets less current liabilities		27,656	29,158
Provisions for liabilities	14	(268)	(332)
Total net assets		27,388	28,826
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	7,750	4,777
Unrestricted fund - designated reserves	16	264	5,254
Revaluation reserves	15	18,658	18,079
<i>Total unrestricted funds</i>		26,672	28,110
Total charity funds		27,388	28,826

These financial statements were approved and authorised for issue by the Board of Trustees on 29 November 2018 and were signed on its behalf by:

M Andrews
Chair

P Campbell
Treasurer

Parent Association Balance Sheet

Company number: 119249

as at 31 July 2018

		31 July 2018 £'000	31 July 2017 £'000
	Note		
Fixed assets			
Intangible - IT Software	10	387	92
Plant, property and equipment	10	18,422	17,176
Investments	11a	10,357	13,726
Investment in subsidiary	11b	-	-
<i>Total fixed assets</i>		29,166	30,994
Current assets:			
Debtors	13	2,113	1,475
Cash at bank and in hand		534	887
<i>Total current assets</i>		2,647	2,362
Liabilities:			
Creditors: Amounts falling due within one year	14	(4,288)	(4,405)
<i>Net current liabilities</i>		(1,641)	(2,043)
Total assets less current liabilities		27,525	28,951
Creditors: Amounts falling due after one year			
Provisions for liabilities	14	(268)	(332)
Total net assets		27,257	28,619
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	7,619	4,571
Unrestricted fund - designated reserves	16	264	5,254
Revaluation reserves	15	18,658	18,078
<i>Total unrestricted funds</i>		26,541	27,903
Total charity funds		27,257	28,619

The Association's deficit for the financial period was £1,510k (£1,993k 2017).

These financial statements were approved and authorised for issue by the Board of Trustees on 29 November 2018 and were signed on its behalf by:

M Andrews
Chair

P Campbell
Treasurer

Consolidated statement of cash flows

for the year ended 31 July 2018

		2018	2017
	Note	12 months	16 months
Cash flows from operating activities:			
Net cash used in operating activities	19	(2,207)	(4,721)
Cash flows from investing activities:			
Dividends, interest and rents from investments		328	563
Purchase of property, plant and equipment		(1,801)	(644)
Purchase of IT Software and Product Development		(389)	(77)
Proceeds from sale of investments		5,200	7,997
Purchase of investments		(1,484)	(5,596)
Net cash provided by investing activities		1,854	2,243
Cash flow from financing activities			
Receipt of endowment fund		-	716
Proceeds of new loan		-	1,505
Net cash inflow from financing activities		-	2,221
Change in cash and cash equivalents in the reporting period		(353)	(257)
Cash and cash equivalents at the beginning of the reporting period		897	1,154
Cash and cash equivalents at the end of the reporting period		544	897

Significant non-cash transactions were the revaluations of fixed assets and investments.

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, YMCA Club, YMCA Training, YMCAfit and One KX.

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 (2017 – 18) individuals who have affirmed their commitment to the Association'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.

The accounting policies have been applied consistently for each year presented, saved as detailed below.

For 2018, the distribution of surpluses from the Charity's trading subsidiary to the parent charity is recognised only once the distribution become irrevocable whereas in prior years it was recognised on an accruals basis. This has no impact on the Group reported results, but serves to reduce the reported net assets of the parent charity by £82k (£156k – 2017) and to increase the reported surplus for the year by £74k.

(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 Charity's reserves are sufficient to support the Charity's current performance and beneficiaries for the short and medium term but the losses seen over the last few years are unsustainable in the long term.

Trustees scrutinised the short-term forecasts for 2019 and longer-term projections for the group to July 2020.

Having already carried out 2 years of extensive review of the Group's cost base and organisational structure; the Charity is confident that it now has greater visibility over the reliability of its forecasting capability and its suitability as a tool for reporting and ultimately management decision making.

Although operational losses for the period are still significant, demonstrable improvements can be seen in the financial year showing that the work done over the last 4 years is starting to bear fruit and the forecast for 2019 is achievable.

Income projections within our education training provisions (YMCA Training and YMCAfit) have in recent years been difficult due to a period of significant market and policy change. These are based as much as possible on an understanding of historical learner recruitment trends and are within the parameters of confirmed funding contracts (e.g. Education and Skills Funding Agency (ESFA)) where applicable.

The Charity has learnt from a prudent forecast for Apprenticeship income in 2018 still not being prudent enough but is seeking growth in its core areas of expertise in 2019 as we consolidate our training portfolio curriculum offer into 8 clear sectors.

The Group recognises the uncertainty in its forecasts and projections for 2019 due to the heavy reliance on government funding in a turbulent education market; however, if its forecasts and projections for 2019 are achieved this will mean less reliance on reserves in 2019 and the expectation that the Charity will repay its loan from 2020.

A strong focus on new partnerships and fundraising from non-governmental sources, to balance the Charity's income portfolio and mitigate risk, is central to the medium-term strategic priorities. In the short term for 2019 this language of partnerships will focus on sector advocacy and raising awareness of personal giving opportunities through existing stakeholder relationships. The Charity will focus on "doing what it does well, better" making tough decisions about

programmes or products that can no longer justify their cost and ensuring our current staff, members, employers and learners are our greatest advocates.

The Charity has also opted to maintain key strategic relationships for 2019 with subcontractors to deliver up to half of the total Study Programme contract, securing contribution whilst it continues the final phase of its centre restructuring plans.

The assessment made at the 4 July 2018 Trustee budget review meeting is still deemed applicable at the date of signing the accounts. 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. 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's key management personnel compensation.

(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 July.

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.

The 2017 intra group business transfers into the Association were treated as group reconstructions and were accounted for using merger accounting. Incoming assets and liabilities are recognized at their original book values, the Association's income and expenditure reflects the activities of the merged business for the whole of the year.

Consolidated financial statements are required to be prepared and the Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

(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 represent the amounts derived (excluding value added tax) from the provision of goods and services to third-party customers during the financial period. 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). The exception is YMCA Training's ESFA Apprenticeship contract where income is recognised over the duration of the learning. Whilst the funding provides for an additional lump sum on achievement, this is only recognised at the student's completion date. ESFA 16-18 Study Programme and Traineeship funding is recognised as income over the duration of each learner's programme without a lump sum at the end.
- Income from the sale of goods is recognised when the goods are 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 in the period in which the Group is entitled to the income.

(g) Restructuring costs

The Group classifies certain charges relating to significant reductions in staffing, centre closures and associated costs that have a significant impact on the Group's financial results as 'restructuring costs'. 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 is stated at cost or, in the case of long leasehold property, fair value. 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 the assets' residual values over their estimated useful lives, as follows:

Fixtures, fittings and computer equipment	- 5% to 33%
Long leasehold buildings	- 40 years
<i>Refurbishment works to the long leasehold buildings</i>	- 10 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 above depreciated historic cost is 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 Financial Activities. A deficit which represents a clear consumption of economic benefits is charged to the Statement of Financial Activities regardless of any such previous surplus.

Where there are indications that the residual value or useful life of an asset has changed, the residual value, useful life or depreciation rate are amended retrospectively 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 being recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Assets are de-recognised 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 Financial Activities.

(k) Intangible assets

Identifiable intangible assets are recognised when the Association controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Association and the cost of the asset can be reliably measured.

Computer software purchased from third parties is capitalised on the basis of the costs incurred to acquire and bring into use the specific software.

New qualifications developed by the new product development (NPD) team based on a business case and expectation that these products will generate surplus income for a number of future periods are capitalised as intellectual property (IP) in the year of development and amortised over a standard period of expected income generation from the year of product launch.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives from the date the software is available for use. The estimated useful lives of computer software is 3 to 5 years. New IP products are estimated to have an expected income generating period of 3 years before significant reviews and rewrites are necessary.

(l) Investments

Investments in subsidiaries are stated at cost less accumulated impairment losses. Other 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 the Statement of Financial Activities. Any accumulated investment gains are recognised as a revaluation reserve.

(m) Leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. The Group and Association long leasehold property is held under a lease with an original life of 999 years which is classified as a finance lease. However, as a nominal rent is payable under the lease, no asset or liability is recognised in respect of the lease.

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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

Other than loans, basic financial liabilities, including trade and other payables are initially recognised at transaction price and subsequently at amortised cost. Loans are recognised at the present value of future cash flows stated discounted at the market rate of interest.

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 expire

(r) 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. Support costs, which include Governance costs, have been allocated using a range of calculation and allocation methods most appropriate to the type of expenditure in question.

Expense Type	Apportionment method
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
NPD and Business Development costs	Direct by project/expense incurred

(s) 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.
- endowment fund- these are funds are gifts of endowments where the Trustees have the power to utilise in line with the objects of the Association.

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

In the opinion of the Trustees there are no judgements made in applying the accounting policies which have had a material impact on the financial statements and which do not involve the use of estimates.

(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 b.

(i) Provisions for property dilapidations

The current provision is based on surveys which were carried out in 2015 and 2016 by external advisors. For each surveyed property, the potential required works were identified based on the lease agreements, considering the term of the lease remaining together with the current estimated cost of that work. The provisions for likely dilapidations on property were estimated based on an estimate of dilapidation cost per square foot advised.

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 so a revaluation was not deemed necessary in 2018. The liabilities for dilapidations are disclosed in note 14.

The uncertainty in this estimate lies in the assumptions of the extent of the work required to bring the facilities back to an agreed acceptable state.

(ii) Fair value of long Leasehold properties

Long leasehold properties are valued at Fair Value based on professional advice and shown in note 10. The property valuation is based on the capitalization of expected income yield and driven by market conditions which are inherently uncertain.

(iii) Provision for irrecoverable debts

The nature of the Group and Charity's trade debtors is that they comprise a large volume of low value balances, together with a small number of higher value items. Provision is made in respect of any individual, higher value debts which are assessed as being irrecoverable. In addition, an estimate is made for the value of the other debts which may become irrecoverable and an appropriate provision made. The estimate is based on the age profile of the debts, their aggregate value within each age profile, historic recovery rates and post year end recoveries, with full provision being made in respect of older debts.

The carrying value of the debtors and the aggregate provision are given in Note 13.

5 Analysis of incoming resources

Analysis of incoming resources 2018

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018 12 months £'000
	£'000	£'000	£'000	£'000
Charitable activities:				
Wellbeing				
Club fitness facilities and associated activities	2,724	26	-	2,750
One KX	123	-	-	123
Education				
YMCAfit training courses	2,705	50	-	2,755
YMCA Training	7,531	-	-	7,531
YMCA Awards	1,477	-	-	1,477
	14,560	76	-	14,636
Voluntary income – donations	257	-	-	257
Commercial trading income	623	-	-	623
Incoming resources before investment income	15,440	76	-	15,516
Investment income	328	-	-	328
Total	15,768	76	-	15,844

Analysis of incoming resources 2017

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017 16 months £'000
	£'000	£'000	£'000	£'000
Charitable activities:				
Wellbeing				
Club fitness facilities and associated activities	4,074	37	-	4,111
One KX	16	-	-	16
Education				
YMCAfit training courses	4,291	108	-	4,399
YMCA Training	8,690	-	-	8,690
YMCA Awards	2,267	-	-	2,267
	19,338	145	-	19,483
Voluntary income – donations	22	-	-	22
Commercial trading income	740	-	-	740
Incoming resources before investment income	20,100	145	-	20,245
Investment income	563	-	-	563
Total	20,663	145	-	20,808

All income from charitable activities has been generated in the United Kingdom apart from an amount of £85k (2017: £103k) which was earned from 9 (2017: 9) other countries.

Of the above total income £151k (£63k 2017) was derived from the sale of goods, £328k (£563k 2017) from investment income, £76k (£145k 2017) from grants and the balance of £15,289k (£20,037k 2017) was derived from the provision of services.

6 Analysis of total resources expended

Analysis of total resources expended 2018

		Direct Costs	Apportioned Support Costs	Total 2018 12 months £'000
	Note	£'000	£'000	£'000
Charitable activities:				
Wellbeing				
YMCA Club		2,966	824	3,790
One KX		181	-	181
Education				
YMCAfit training courses		1,969	760	2,729
YMCA Training		7,036	1,882	8,918
YMCA Awards		1,034	577	1,611
Restructuring costs	18	159	-	159
		13,345	4,043	17,388
Other:				
Commercial trading		374	20	394
Investment costs		96	39	135
Total		13,815	4,102	17,917

Analysis of total resources expended 2017

		Direct Costs	Apportioned Support Costs	Total 2017 16 months £'000
	Note	£'000	£'000	£'000
Charitable activities:				
Wellbeing				
YMCA Club		3,093	1,630	4,723
One KX		107	-	107
Education				
YMCAfit training courses		3,303	1,734	5,037
YMCA Training		7,412	3,669	11,081
YMCA Awards		1,916	1,131	3,047
Restructuring costs	18	695	64	759
		16,526	8,228	24,754
Other:				
Commercial trading		364	43	407
Investment costs		98	33	131
Total		16,988	8,304	25,292

Support costs are made up as follows:

	2018 12 months £'000	2017 16 months £'000
IT costs	1,052	1,208
Property costs	186	108
Finance department costs	329	786
HR costs	574	926
Communication and marketing costs	417	672
Management costs	501	546
Maintenance department costs	286	396
Insurance	125	176
Affiliation fee YMCA England	-	69
Development/fundraising	370	296
Quality	-	382
Governance costs	172	194
	4,012	5,759
National administration		1,321
Operations	-	1,224
	4,012	8,304

National administration and operations costs, previously recognised as support costs, were reclassified for 2018 as direct cost attributable to the operations.

Governance costs are made up as follows:

	2018 12 months £'000	2017 16 months £'000
Auditor's remuneration (excluding irrecoverable VAT)	51	43
Irrecoverable VAT on auditor's remuneration	10	8
Company secretarial costs	55	60
Share of management time on strategic matters	56	83
	172	194

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

7 Net outgoing resources for the financial period

	2018 12 months £'000	2017 16 months £'000
<i>Net outgoing resources for the financial period is stated after charging/(crediting)</i>		
Bad debt expenses	31	129
Inventory recognised as an expense	374	364
Operating lease payments:		
- Property rentals	448	620
- Motor vehicles	-	7
Other services provided by the group auditor		
- Tax Compliance	3	2
- Tax advice	-	7
- Other audit related services	5	4
- Other advice	4	9
Depreciation – owned assets	941	801

8 Remuneration of Trustees

The Trustees did not receive any emoluments during the period (2017: £nil) for services as Trustees of the Association. A total of £2,357 (2017: £2,628) was reimbursed to eight (2017: eight) Trustees during the period in respect of travel costs. Trustee indemnity insurance was purchased during the period at a cost of £8,411 (2017: £11,108).

9 Staff numbers and costs

The average number of persons employed by the group during the financial period, analysed by category:

	Number of Employees	
	2018	2017
Operations	298	329
Management and administration	37	44
	335	373

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:

	2018 12 months £'000	2017 16 months £'000
Wages and salaries	7,790	11,672
Redundancy costs	159	365
Social security costs	723	1,093
Other pension costs - Defined contribution scheme	211	297
	8,883	13,427

The total redundancy payments for 2018 of £159k (£365k 2017) were funded from accumulated reserves.

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

Total value paid in the financial period: Band	Number of Employees		
	2018 12 months	2017 Final 12 months of 2017	2017 16 months
£60,001 – £70,000	4	2	-
£70,001 – £80,000	2	2	3
£80,001 – £90,000	2	2	1
£90,001 – £100,000	1	1	3
£100,001 – £110,000	1	1	1
£110,001 – £120,000	-	-	1
£120,001 – £130,000	-	1	1
£130,001 – £140,000	1	-	1
£160,001 – £170,000	-	-	1

Pension costs for these higher paid employees, for the year amounted to £44,483 (£59,271 2017, 16 months).

Key management compensation

Key management personnel comprise of members of the senior management of the Group. The compensation paid or payable to key management for employee services for the year was £282,197 (£463,893 2017, 16 months). This includes salary, pension contributions, National Insurance and employee benefits.

10 Property, plant and equipment, and intangible assets

For the group and association:

Intangible Assets				Property, plant and equipment				Grand Total
IT Software	Products Development	Total	Long leasehold property Great Russell St	Short leasehold property Cromer Street	Fixtures, Fittings and Equipment	Total	Total	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Cost or valuation:								
At 31 July 2017	212	-	212	16,371	1,725	3,148	21,244	21,456
Additions	80	309	389	1,627	-	174	1,801	2,190
Disposals	-	-	-	-	-	-	-	-
Revaluations	-	-	-	(398)	-	-	(398)	(398)
At 31 July 2018	292	309	601	17,600	1,725	3,322	22,647	23,248
Depreciation:								
At 31 July 2017	120	-	120	13	1,022	3,033	4,068	4,188
Charge for the period	19	75	94	677	87	83	847	941
Disposals	-	-	-	-	-	-	-	-
Revaluations	-	-	-	(690)	-	-	(690)	(690)
At 31 July 2018	139	75	214	-	1,109	3,116	4,225	4,439
Net book value:								
At 31 July 2018	153	234	387	17,600	616	206	18,422	18,809
At 31 July 2017	92	-	92	16,358	703	115	17,176	17,268

Depreciation charged on the property at Great Russell Street, London WC1 is charged over 40 years from the date of valuation to reflect the remaining estimated useful life of the facility.

Long leasehold properties at Fair Value:

	2018 £'000	2017 £'000
Great Russell Street buildings		
At period end open market value	17,600	16,358
Aggregate depreciation thereon	-	-
Net book value	17,600	16,358
Historical cost of revalued assets	5,763	5,763
Aggregate depreciation based on historical cost	(4,660)	(4,527)
Historical cost net book value	1,103	1,236

The interests in the property at Great Russell Street, London WC1 were revalued as at 31 July 2018. 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)

	31 July 2018 £'000	31 July 2017 £'000
Fair value on 31 July 2017	13,726	13,708
Purchases at cost	1,484	5,596
Sale proceeds	(5,200)	(7,997)
Gain/(loss) on investments in the year	347	2,419
Fair value on 31 July 2018	10,357	13,726

The investments were allocated as follows:

	at 31 July 2018		at 31 July 2017	
	At cost £'000	Market Value £'000	At cost £'000	Market Value £'000
Fixed Income	2,351	2,289	2,688	2,701
Equities	5,398	7,513	7,090	9,581
Property Funds	420	555	965	1,444
Investments	8,169	10,357	10,743	13,726
Liquid Funds	454	391	272	294
Total	8,623	10,748	11,015	14,020

Liquid funds are included within cash at bank and in hand in the balance sheet. The investments are valued based on quoted prices. The investments are valued based on quoted prices. The above investments represent the totality of the financial assets measured at fair value.

12 Inventory

	31 July 2018 £'000	Group 31 July 2017 £'000	Association 31 July 2018 £'000	Association 31 July 2017 £'000
Items for resale	2	2	-	-

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

13 Debtors

	31 July 2018 £'000	Group 31 July 2017 £'000	31 July 2018 £'000	Association 31 July 2017 £'000
Amounts due within one year				
Trade debtors	1,267	878	1,266	810
Other debtors	44	153	37	153
Prepayments and accrued income	810	512	810	512
	2,121	1,543	2,113	1,475

The Group and Association trade debtors are stated after provisions for impairment of £350k (2017: £409k).

14 Creditors: amounts falling due within one year

	31 July 2018 £'000	Group 31 July 2017 £'000	31 July 2018 £'000	Association 31 July 2017 £'000
Trade creditors	554	639	493	530
Amounts owed to subsidiary undertakings	-	-	174	250
Income tax, social security and VAT	198	99	198	99
Accruals	1,054	691	1,052	691
Other creditors	73	97	73	93
Provisions (see below)	52	71	52	71
Deferred income	741	1,176	741	1,176
Short term borrowings	1,505	1,505	1,505	1,505
	4,177	4,278	4,288	4,405

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. The amounts will be dependent on individual property arrangements with landlords.

There is currently a short-term borrowing arrangement of £1.5m (and £5k accrued interest) with Rothschild which is secured by the investment portfolio.

Deferred income analysis for Group and Association

	31 July 2017 £'000	Change £'000	31 July 2018 £'000
Courses to be run after July 2018	479	150	629
Health and fitness membership fees	92	20	112
YMCA Training	605	(605)	-
	1,176	(435)	741

	31 July 2018 £'000	31 July 2017 £'000
Deferred income brought forward	1,176	1,452
Utilised in the financial period	(1,176)	(1,452)
Arising in the financial period	741	1,176
Deferred income carried forward	741	1,176

The above income arises from the provision of services and has been deferred as the related services had not been provided as at the period end.

Provisions for leased property dilapidations for the Group and Association

	31 July 2018 £'000	31 July 2017 £'000
Expected to be utilised:		
- within one year		
Provision brought forward	71	247
Utilised in year	(30)	(176)
Arising in year	10	-
Provision carried forward	51	71
- after more than one year		
Provision brought forward	332	335
Utilised in year	(64)	(11)
Arising in year	-	8
Provision carried forward	268	332
Total provision carried forward	319	403

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 lease comes to an end.

15 Analysis of total funds

Analysis of total funds – Group 2018

	Revaluation			Total £'000	Designated £'000	Endowment £'000	Total £'000
	General £'000	Property £'000	Investment £'000				
At 31 July 2017	4,777	15,096	2,983	18,079	5,254	716	28,826
Net income / expenditure	(1,728)	-	-	-	-	-	(1,728)
Other comprehensive income	-	290	-	290	-	-	290
Total comprehensive income	(1,728)	290	-	290	-	-	(1,438)
Transfer between funds							
- revaluation of investments	796	-	(796)	(796)	-	-	-
-depreciation of revalued amount	(1,085)	1,085	-	1,085	-	-	-
-designation of funds	4,990	-	-	-	(4,990)	-	-
At 31 July 2018	7,750	16,471	2,187	18,658	264	716	27,388

Analysis of total funds – Group 2017

	Revaluation			Total £'000	Designated £'000	Endowment £'000	Total £'000
	General £'000	Property £'000	Investment £'000				
At 31 March 2016	8,369	14,566	2,313	16,879	4,884	716	30,848
Net income / expenditure	(2,065)	-	-	-	-	-	(2,065)
Other comprehensive income	-	43	-	43	-	-	43
Total comprehensive income	(2,065)	43	-	43	-	-	(2,022)
Transfer between funds							
- revaluation of investments	(670)	-	670	670	-	-	-
-depreciation of revalued amount	(487)	487	-	487	-	-	-
-designation of funds	(370)	-	-	-	370	-	-
At 31 July 2017	4,777	15,096	2,983	18,079	5,254	716	28,826

The general fund and the total of all funds of the association at the end of 2018 were £7,618k and £27,257k, respectively (2017 - £4,571k and £28,619k) with all other funds being the same as the Group funds.

The transfer of £1,774k (£487k 2017) to the revaluation reserve from the general fund in 2018 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 offset by the increase of the asset value at valuation. The £4,990k represents the transfer of funds from the previously designated Great Russell Street development fund to general reserves to fund the remaining cost of the building works completed in 2018 and releasing any remaining funds to the general reserves as Trustees agreed that no plans for the remaining estate have been agreed.

Analysis of Group net assets between funds at 31 July 2018

	General £'000	Designated & revaluation £'000	Endowment Funds £'000	Total Funds £'000
Charitable fixed assets	2,338	16,471	-	18,809
Investments	7,064	2,577	716	10,357
Current assets	2,793	(126)	-	2,667
Current liabilities	(4,177)	-	-	(4,177)
Long term liabilities	(268)	-	-	(268)
	7,750	21,689	716	27,388

Analysis of Group net assets between funds at 31 July 2017

	General £'000	Designated & revaluation £'000	Endowment Funds £'000	Total Funds £'000
Charitable fixed assets	2,172	15,096	-	17,268
Investments	4,773	8,237	716	13,726
Current assets	2,442	-	-	2,442
Current liabilities	(4,278)	-	-	(4,278)
Long term liabilities	(332)	-	-	(332)
	4,777	23,333	716	28,826

16 Designated funds – the Group and the Association

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

	Balance at 31 March 2016 £'000	Set aside / (utilised) in 2017 £'000	Balance at 31 July 2017 £'000	Set aside / (utilised) in 2018 £'000	Balance at 31 July 2018 £'000
Great Russell Street Development Fund	4,620	370	4,990	(4,990)	-
Basil Scott fund	264	-	264	-	264
Total	4,884	370	5,254	(4,990)	264

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 at 31 July 2017 £'000	Incoming £'000	Outgoing £'000	Balance at 31 July 2018 £'000
Income funds				
Health and fitness activities	-	37	(37)	-
Training courses	-	32	(32)	-
	-	69	(69)	-
Capital funds				
Endowment Fund	716	-	-	716
	716	-	-	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 Restructuring costs

Items which relate restructuring are as follows:

	2018 12 months £'000	Group 2017 16 months £'000	2018 12 months £'000	Association 2017 16 months £'000
YMCA Training	95	689	95	689
Awards	51	-	51	-
FIT	2	6	2	6
Club	8	-	8	-
Central Services	3	64	3	71
	159	759	159	766

The Group (and Association) incurred £159k of restructuring costs during 2018 (£759k 2017) mainly in the form of redundancies, significantly less than in previous years.

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

	2018 12 months £'000	2017 16 months £'000
Overall deficit	(1,728)	(2,065)
Investment income	(328)	(563)
Investment revaluation	795	127
Depreciation charges	940	801
Decrease in stock	-	2
(increase) / Decrease in debtors	(578)	774
(Decrease) / increase in creditors	(165)	(970)
Surplus on investments sold	(1,142)	(2,546)
Net cash outflow from operating activities	(2,206)	(4,440)

20 Analysis of changes in net debt - group

	At 1 August 2017 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 July 2018 £'000
Bank borrowings due within 1 year	(1,500)	-	-	(1,500)
Cash	897	(353)	-	544
Net debt	(603)	(353)	-	(956)

21 Capital commitments – the Group and the Association

As at 31 July 2017 a capital commitment for the club refurbishment contract amounting to £1,267k was part way through completion with £597k being spent by 31 July 2017. The project completed in January 2018. There were no significant capital commitments as at 31 July 2018.

22 Operating lease commitments - the Group and association

The following represent the leasing commitments:

	Land and buildings 31 July 2018 £'000	Other 31 July 2018 £'000	Land and buildings 31 July 2017 £'000	Other 31 July 2017 £'000
Commitments falling due				
within 12 months	187	-	249	5
within 1 to 2 years	75	-	166	5
within 2 to 5 years	37	-	3	3
After 5 years	-	-	-	-
	299	-	418	13

23 Related party transactions

Owing to the diverse nature of the Charity's operations and the number of activities that work in partnership with other charities and public-sector bodies, transactions may take place with organisations where Members of the Board have an interest. Any transactions involving such charities or organisations are conducted at arm's length and in accordance with the Charity's financial regulations and normal procurement procedures.

The only related party transactions that took place during the financial period was:

As per note 14 £92k (£94k 2016) was owed by the Association to YMCA Trading at 31 July 2017. Central YMCA Trading Ltd provides and 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.

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

Reference and administration details

Charity number	213121	
Company number	119249	
Registered office	112 Great Russell Street, London WC1B 3NQ	
Trading Names and Associated Websites	Central YMCA	www.ymca.co.uk
	YMCA Training	www.ymcatraining.org.uk
	YMCA Awards	www.ymcaawards.co.uk
	YMCAfit	www.ymcafit.org.uk
	YMCA Club	www.ymcaclub.co.uk
	One KX	www.ymcaonekx.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.	
Trustees serving during the financial period and since the year-end	Mark Andrews	Chair
	Philippa Campbell	Honorary Treasurer
	Charlotte Dickens	
	Glenn Dunn	
	Anthony Griffiths	
	Colleen Harris MVO DL	
	Robert Harrison	Resigned September 2017
	The Lord Hayward OBE	Vice Chair – Resigned September 2017
	Anne-Marie Laing	Appointed February 2018
	Janice Lloyd	
	Kern Roberts	Resigned July 2018
	Susan Ross-Morton	
	Allan Smith	
Senior employees	Chief Executive	Rosi Prescott
	Group Finance Director/ Company Secretary	Aimee Henderson

