

**BLACKBURN YMCA**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Company Registration No. 5194135 (England and Wales)**

**Charity Registration No. 1106198**

# BLACKBURN YMCA

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Mr A Drake	
	Mr D Hall-Davies	
	K McGinty	
	M R Mulloy	
	Mr J Cronin	
	Mr S P Osborne	
	Mr D Robinson	(Appointed 10 June 2020)
	Mr C N Seamarks	
Charity number	1106198	
Company number	5194135	
Registered office	St Albans Road Lytham St Annes Lancashire FY8 1XD	
Auditor	Champion Accountants LLP Unit 2 Olympic Court Whitehills Business Park Blackpool Lancashire FY4 5GU	

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# BLACKBURN YMCA

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# **BLACKBURN YMCA**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

#### **Objectives and activities**

The charity's objects are to help young people, particularly at the time of need, regardless of gender, race, ability or faith. The policies adopted in furtherance of these objects arise from the acceptance of the "Basis of Union" adapted by the British Young Men's Christian Association in 1973, that is to say:

"The YMCA seeks to unite those unto, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be his disciples in their faith and in their life, and to associate the efforts for the extension of his Kingdom."

Accordingly the objectives of the charity are:

- i) To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be his disciples in their faith and in their life, and to associate their efforts for the extension of his Kingdom.
- ii) To lead young people to the Lord Jesus Christ and to fullness of life in him.
- iii) To provide or assist in the provision in the interest of social welfare of facilities for recreation and other leisure time occupation for men, women and children with the object of improving their conditions of life.
- iv) To provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities.
- v) To 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.
- vi) To provide residential accommodation or social housing for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.



# BLACKBURN YMCA

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### Achievements and performance

The Trustees were pleased to see the key work of the charity successfully delivered throughout 2020/21, both in terms of its work with Asylum Seekers via the New Beginnings programme and the work with single people and families in housing need via its supported housing operation. This third operational year saw the work of Y Housing further develop with a number of schemes undergoing major repair refurbishment works as planned at the time of the assets transfer from YMCA England & Wales in 2018. Building on our Investment Partner status with Homes England, we commenced work on two new capital developments for our partner YMCAs, one of which, the Bolton YMCA scheme, is in progress, and the other in 2022.

Looking ahead, we plan to continue to respond to development opportunities from our current YMCA partners and offer the option to join Y Housing to other YMCAs that operate housing on a similar scale. This will include the refurbishment of the Victoria Road, St Annes property into 5 flats for Fylde Coast YMCA, and the commencement of a development of a 20 bed supported housing facility in Chelmsford for YMCA Essex. The Board is confident that it continues to have the skills and experience required to oversee this work, and we continue to have the support and expertise of Fylde Coast and other partners and the right level of resources in place to make these plans a reality.

### Financial review

The results for the year show a surplus on activities before revaluation of investment properties of £3,179,849 (2020 : £107,132). The majority of the surplus arose as a result of substantial grant funding for the building project that had not been spent by the financial year end. Total funds carried forward to next year are £5,993,281 (2020: £2,816,826), comprising restricted funds of £2,974,582 (2020 : £22,292) and unrestricted funds of £3,018,699 (2020 : £2,794,534). Included within unrestricted funds is a designated fund for major property repairs of £108,452.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The trustees will reconsider this policy in the current year in the light of developments detailed above.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### Structure, governance and management

The charity is a company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A Drake	
S Hackett	(Resigned 10 June 2020)
Mr D Hall-Davies	
K McGinty	
M R Mulloy	
Mr J I Sadler	(Resigned 28 August 2020)
C J Seddon	(Resigned 28 August 2020)
Mr J Cronin	
Mr S P Osborne	
Mr D Robinson	(Appointed 10 June 2020)
Mr C N Seamarks	

# BLACKBURN YMCA

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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All new Trustees undergo an appropriate induction programme.

None of the trustees has any beneficial interest in the company.

The Board receives support from Fylde Coast YMCA in respect of accounting and other functions.

### Statement of trustees' responsibilities

The trustees, who are also the directors of Blackburn YMCA for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

Champion Accountants LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



**Mr J Cronin**

Trustee

Dated: 28 September 2021

# BLACKBURN YMCA

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BLACKBURN YMCA

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### Opinion

We have audited the financial statements of Blackburn YMCA (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

# BLACKBURN YMCA

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BLACKBURN YMCA

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### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006 and compliance with registered housing association regulations.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud, and tailored our procedures according to this risk assessment.

# BLACKBURN YMCA

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BLACKBURN YMCA

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The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries in the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to investment property valuations.
- Assessing the extent of compliance with the relevant laws and regulations.
- Testing key revenue streams, in particular cut-off, for evidence of management bias.
- Obtaining third party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management, and the inspection of regulatory and legal correspondence. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D L Thorn

Deborah Thorn FCA (Senior Statutory Auditor)  
for and on behalf of Champion Accountants LLP

Chartered Accountants  
Statutory Auditor

28 September 2021

Unit 2 Olympic Court  
Whitehills Business Park  
Blackpool  
Lancashire  
FY4 5GU



# BLACKBURN YMCA

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	-	827,112	827,112	-	350	350
Charitable activities	4	-	2,184,600	2,184,600	-	33,740	33,740
Investments	5	516,823	-	516,823	400,875	-	400,875
Other income	6	9,680	-	9,680	727	-	727
<b>Total income</b>		<b>526,503</b>	<b>3,011,712</b>	<b>3,538,215</b>	<b>401,602</b>	<b>34,090</b>	<b>435,692</b>
<b>Expenditure on:</b>							
Charitable activities	7	190,669	57,310	247,979	208,072	33,538	241,610
Other	12	110,387	-	110,387	86,950	-	86,950
<b>Total resources expended</b>		<b>301,056</b>	<b>57,310</b>	<b>358,366</b>	<b>295,022</b>	<b>33,538</b>	<b>328,560</b>
Net gains/(losses) on investments	11	-	-	-	627,000	-	627,000
<b>Net income for the year/ Net incoming resources</b>		<b>225,447</b>	<b>2,954,402</b>	<b>3,179,849</b>	<b>733,580</b>	<b>552</b>	<b>734,132</b>
<b>Other recognised gains and losses</b>							
Actuarial loss on defined benefit pension schemes		(1,282)	(2,112)	(3,394)	(947)	-	(947)
<b>Net movement in funds</b>		<b>224,165</b>	<b>2,952,290</b>	<b>3,176,455</b>	<b>732,633</b>	<b>552</b>	<b>733,185</b>
Fund balances at 1 April 2020		2,794,534	22,292	2,816,826	2,061,901	21,740	2,083,641
<b>Fund balances at 31 March 2021</b>		<b>3,018,699</b>	<b>2,974,582</b>	<b>5,993,281</b>	<b>2,794,534</b>	<b>22,292</b>	<b>2,816,826</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# BLACKBURN YMCA

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13	868,454		225,557	
Investment properties	14	6,537,209		6,537,209	
		<u>7,405,663</u>		<u>6,762,766</u>	
<b>Current assets</b>					
Debtors	15	6,394		951	
Cash at bank and in hand		1,883,892		144,107	
		<u>1,890,286</u>		<u>145,058</u>	
<b>Creditors: amounts falling due within one year</b>	17	(125,255)		(1,023,397)	
Net current assets/(liabilities)		<u>1,765,031</u>		<u>(878,339)</u>	
<b>Total assets less current liabilities</b>		<u>9,170,694</u>		<u>5,884,427</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(3,165,336)		(3,057,075)	
<b>Provisions for liabilities</b>	19	(12,077)		(10,526)	
<b>Net assets</b>		<u>5,993,281</u>		<u>2,816,826</u>	
<b>Income funds</b>					
Restricted funds	21	2,974,582		22,292	
<u>Unrestricted funds</u>					
Designated funds	22	108,452		281,606	
General unrestricted funds		<u>2,910,247</u>		<u>2,512,928</u>	
		<u>3,018,699</u>		<u>2,794,534</u>	
		<u>5,993,281</u>		<u>2,816,826</u>	

The financial statements were approved by the Trustees on 28 September 2021



Mr J Cronin  
Trustee

Company Registration No. 5194135

# BLACKBURN YMCA

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28		1,954,164		592,400
<b>Investing activities</b>					
Purchase of tangible fixed assets		(643,725)		(221,419)	
Purchase of investment property		-		(1,800,000)	
Proceeds on disposal of investment property		-		(133,000)	
Disposal of investment property		-		133,000	
Investment income received		516,823		400,875	
<b>Net cash used in investing activities</b>			(126,902)		(1,620,544)
<b>Financing activities</b>					
Proceeds of new bank loans		-		1,100,000	
Repayment of bank loans		(87,477)		(62,927)	
<b>Net cash (used in)/generated from financing activities</b>			(87,477)		1,037,073
<b>Net increase in cash and cash equivalents</b>			1,739,785		8,929
Cash and cash equivalents at beginning of year			144,107		135,178
<b>Cash and cash equivalents at end of year</b>			1,883,892		144,107



# BLACKBURN YMCA

## STATEMENT OF CASH FLOWS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **2 Accounting policies**

#### **Charity information**

Blackburn YMCA is a private company limited by guarantee incorporated in England and Wales. The registered office is St Albans Road, Lytham St Annes, Lancashire, FY8 1XD.

#### **2.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **2.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The charity continued a major building project during the year, which is due for completion in the current account period. Details of the capital expenditure commitment can be found in note 26 to the accounts. Funding to complete the project has been secured by way of grants, loan and donations and the trustees are therefore confident that they have sufficient funds to complete the necessary work.

#### **2.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 2 Accounting policies

(Continued)

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Revenue grants are credited as incoming resources when they are received, provided conditions for receipt have been complied with, and unless they relate to a specific future period in which case they are deferred.

Rental income is accounted for when receivable.

#### 2.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

#### 2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Tangible fixed assets include the cost of assets in the course of construction, which will be transferred to investment properties when complete and tenanted.

#### 2.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 2 Accounting policies

(Continued)

##### 2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 2.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### 2.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Accounting policies

(Continued)

#### 2.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Blackburn YMCA participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Blackburn YMCA, therefore the scheme is accounted for as a defined contribution scheme.

As described in note 20, Blackburn YMCA has a contractual obligation to make pension deficit payments of £1,912 per annum over the period to April 2029, accordingly this is shown as a liability in these accounts. In addition, Blackburn YMCA is required to contribute £453 per annum to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

### 3 Donations and legacies

	Restricted funds	Restricted funds
	2021	2020
	£	£
Donations and gifts	827,112	350

### 4 Charitable activities

	Charitable Income	Charitable Income
	2021	2020
	£	£
Performance related grants	2,184,600	33,740

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	516,800	400,868
Income from listed investments	23	7
	516,823	400,875

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	9,680	727

### 7 Charitable activities

	Charitable Expenditure	Charitable Expenditure
	2021	2020
	£	£
Staff costs	13,228	12,712
Depreciation and impairment	828	1,035
Housing rents	(311)	587
Repairs & maintenance	69,083	126,531
Property insurance	22,156	15,600
Motor & travel expenses	228	3,489
Telephone	60	217
Sundry expenses	-	119
Computer costs	-	1,241
Postage & stationery	30	244
Grant funded programmes	10,673	12,015
	115,975	173,790
Share of support costs (see note 9)	72,043	21,309
Share of governance costs (see note 9)	59,961	46,511
	247,979	241,610
<b>Analysis by fund</b>		
Unrestricted funds	190,669	208,072
Restricted funds	57,310	33,538
	247,979	241,610

### 8 Trustees

During the year trustee expenses totalling £24 (2020: £305) were paid.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Operating lease charges	32,500	-	32,500	-	-	-
Central management cost	39,543	-	39,543	21,309	-	21,309
Audit fees	-	5,060	5,060	-	5,880	5,880
Accountancy	-	-	-	-	490	490
Legal and professional	-	45,774	45,774	-	40,058	40,058
Bank charges	-	9,127	9,127	-	83	83
	<u>72,043</u>	<u>59,961</u>	<u>132,004</u>	<u>21,309</u>	<u>46,511</u>	<u>67,820</u>
Analysed between Charitable activities	<u>72,043</u>	<u>59,961</u>	<u>132,004</u>	<u>21,309</u>	<u>46,511</u>	<u>67,820</u>

### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>1</u>	<u>1</u>
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	13,025	12,521
Other pension costs	203	191
	<u>13,228</u>	<u>12,712</u>

No employees were paid in excess of £60,000 per annum

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 11 Net gains/(losses) on investments

	<b>Total</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Revaluation of investment properties	-	760,000
Gain/(loss) on sale of investment properties	-	(133,000)
	<u>-</u>	<u>627,000</u>

#### 12 Other

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
Financing costs	<u>110,387</u>	<u>86,950</u>

#### 13 Tangible fixed assets

	<b>Assets under construction</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2020	221,419	43,647	265,066
Additions	643,725	-	643,725
At 31 March 2021	<u>865,144</u>	<u>43,647</u>	<u>908,791</u>
<b>Depreciation and impairment</b>			
At 1 April 2020	-	39,509	39,509
Depreciation charged in the year	-	828	828
At 31 March 2021	<u>-</u>	<u>40,337</u>	<u>40,337</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>865,144</u>	<u>3,310</u>	<u>868,454</u>
At 31 March 2020	<u>221,419</u>	<u>4,138</u>	<u>225,557</u>

Assets in the course of construction consist of costs incurred at the Balance Sheet date and will be transferred to investment properties on completion when tenanted.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 14 Investment property

2021  
£

##### Fair value

At 1 April 2020 and 31 March 2021

6,537,209

Investment properties acquired from YMCA England, which are occupied by individual YMCA's, were valued by Jones Lang LaSalle Limited in March 2015, for the purposes of the sale by YMCA England. The properties were valued on an existing use basis with occupation by a Registered Provider of Social Housing.

Subsequent acquisitions have been valued by Jones Lang LaSalle Limited and having been acquired at a discount from YMCA England, have been revalued on an existing use basis.

The trustees consider the market value of the current investment properties to be fairly stated in the financial statements.

#### 15 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	6,394	-
Prepayments and accrued income	-	951
	<u>6,394</u>	<u>951</u>



# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 16 Loans and overdrafts

	2021 £	2020 £
Bank loans	3,077,814	3,165,292
Payable within one year	87,478	108,217
Payable after one year	2,990,336	3,057,075
Amounts included above which fall due after five years:		
Payable by instalments	(2,640,418)	(2,624,208)

The long term bank loans are secured by:

- a) a first debenture creating a fixed and floating charge over the assets of the charitable company
- b) a first legal mortgage over the freehold property at Halton YMCA
- c) a first legal mortgage over six of the YMCA tenanted investment properties

The bank loans are repayable over a 25 year period by monthly instalments expiring in 2043 and 2044.

### 17 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	16	87,478	108,217
Other taxation and social security		73	39
Trade creditors		18,254	202,331
Other creditors		-	700,000
Accruals and deferred income		19,450	12,810
		125,255	1,023,397

### 18 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	16	2,990,336	3,057,075
Other creditors		175,000	-
		3,165,336	3,057,075

The loan of £175,000 is unsecured, interest free and with no fixed repayment terms.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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19	Provisions for liabilities	Notes	2021 £	2020 £
	Retirement benefit obligations	20	12,077	10,526
			<u>12,077</u>	<u>10,526</u>

#### 20 Retirement benefit schemes

##### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £203 (2020 - £191).

##### Defined benefit schemes

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

##### Valuation

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99%, (for RPI capped at 5% per annum), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for male pensioners, female 26.1 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets were £146.1m which represented 79% of the benefits that had accrued to members.

The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits all employed deferred members became deferred members as from 1 May 2011.

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £36 million. Blackburn YMCA has been advised that it will need to make monthly contributions of £159.37 from 1 May 2021. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years commencing 1 May 2021.

In addition, Blackburn YMCA may have over time liabilities in the event of non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible to quantify the potential amount that Blackburn YMCA maybe called upon to pay in the future. The total obligation has been discounted at a rate of 3% on the advice of YMCA England.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 20 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2021 £	2020 £
Due within one year	2,130	1,857
1 - 2 years	2,066	1,801
2 - 5 years	5,835	5,086
After 5 years	2,046	1,782
	<hr/>	<hr/>
Total liability recognised	12,077	10,526
	<hr/>	<hr/>

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£	£
Bolton YMCA	-	-	-	-	600,000	(32,500)	567,500
Fylde Coast YMCA	-	-	-	-	2,112	(2,112)	-
Big Lottery New Beginning	17,141	33,740	(28,939)	21,942	17,100	(24,810)	14,232
SIB	4,600	-	(4,600)	-	-	-	-
Donation	-	350	-	350	-	-	350
Garfield Weston	-	-	-	-	100,000	-	100,000
Clothworkers	-	-	-	-	90,000	-	90,000
Homes England	-	-	-	-	2,167,500	-	2,167,500
Beatrice Laing	-	-	-	-	35,000	-	35,000
	21,741	34,090	(33,539)	22,292	3,011,712	(59,422)	2,974,582

**New Beginning** - A peer-led project aimed at empowering the Refugee and Asylum community to engage in services, support each other in their new lives and help the local community to understand the circumstances that forced them to seek refuge in the UK.

**Bolton YMCA** - donation towards the costs of building 40 single person flats.

**Homes England** - capital funding for the affordable housing building project at Bolton.

**Garfield Weston Foundation** - capital funding for the affordable housing building project at Bolton.

**The Clothworkers Foundation** - capital funding for the affordable housing building project at Bolton.

**Beatrice Laing Trust** - capital funding for the affordable housing building project at Bolton.

**FOR THE YEAR ENDED 31 MARCH 2021**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Each member YMCA contributes an annual amount towards the major repairs fund. Major repairs have been estimated over a 25 year period and the contribution has been averaged. Individual YMCA's should not exceed their own accumulated reserve, but if this occurs, Blackburn YMCA will use pooled resources temporarily.

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 23 Analysis of net assets between funds

	Unrestricted	Restricted	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	3,310	865,144	868,454	225,557	-	225,557
Investment properties	5,837,209	700,000	6,537,209	6,537,209	-	6,537,209
Current assets/(liabilities)	323,093	1,441,938	1,765,031	(900,631)	22,292	(878,339)
Long term liabilities	(3,165,336)	-	(3,165,336)	(3,057,075)	-	(3,057,075)
Provisions and pensions	(12,077)	-	(12,077)	(10,526)	-	(10,526)
	<u>2,986,199</u>	<u>3,007,082</u>	<u>5,993,281</u>	<u>2,794,534</u>	<u>22,292</u>	<u>2,816,826</u>

#### 24 Financial commitments, guarantees and contingent liabilities

The charity has purchased several properties from YMCA England which had originally been funded by Social Housing Grants. The funding was contingent on existing use basis being maintained and non-disposal of the properties without permission of the grantor. Blackburn YMCA has taken over the existing contingent liabilities in respect of these properties and the total potential liability amounts to £7,504,880. This amount has not been provided for in the accounts on the basis that there is no expectation of change of use, and should such events be likely to occur, they would be subject to negotiation with the original funder.

#### 25 Operating lease commitments

##### Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	<u>65,000</u>	<u>-</u>

# BLACKBURN YMCA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

<b>26 Capital commitments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 31 March 2021 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	4,518,437	4,527,337
	<u>          </u>	<u>          </u>
Capital commitments relate to the balance of costs associated with the ongoing construction of the new build housing scheme at Bolton.		
<b>27 Related party transactions</b>		
During the year the charity received income totalling £516,800 (2020 : £400,875) from other YMCA's who occupy property owned by Blackburn YMCA. The board of trustees of Blackburn YMCA includes a member from each of the tenant YMCA's.		
<b>28 Cash generated from operations</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus for the year	3,179,849	734,132
Adjustments for:		
Investment income recognised in statement of financial activities	(516,823)	(400,875)
(Gain)/loss on disposal of investment property	-	133,000
Fair value gains and losses on investment properties	-	(760,000)
Depreciation and impairment of tangible fixed assets	828	1,035
Difference between pension charge and cash contributions	(1,844)	(1,799)
Movements in working capital:		
(Increase)/decrease in debtors	(5,443)	13,752
(Decrease)/increase in creditors	(702,403)	873,155
	<u>          </u>	<u>          </u>
<b>Cash generated from operations</b>	<b>1,954,164</b>	<b>592,400</b>
	<u>          </u>	<u>          </u>
<b>29 Analysis of changes in net (debt)/funds</b>		
	<b>At 1 April 2020</b>	<b>Cash flowsAt 31 March 2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	144,107	1,739,785
Loans falling due within one year	(108,217)	20,739
Loans falling due after more than one year	(3,057,075)	(108,261)
	<u>          </u>	<u>          </u>
	<b>(3,021,185)</b>	<b>1,652,263</b>
	<u>          </u>	<u>          </u>