

Charity Number: 1053864
Company Number: 3169665

**CITY YMCA, LONDON
(A Registered Charity)**

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

**CITY YMCA, LONDON
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

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**CITY YMCA, LONDON
TRUSTEES REPORT
REFERENCE AND ADMINISTRATIVE DETAILS**

STATUS

Company Limited by Guarantee and does not have a Share Capital

SECRETARY

Paul Biberkraut

REGISTERED OFFICE

2 Fann Street, London, EC2Y 8BR

REGISTERED NUMBER – COMPANIES HOUSE

3169665

REGISTERED NUMBER – TENANT SERVICES AUTHORITY

H4099

REGISTERED NUMBER – CHARITY COMMISSION

1053864

AUDITORS

haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

SOLICITORS

Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH

BANKERS

Co-operative Bank plc, Kings Valley, Yew Street, Stockport, Cheshire, SK4 2JU

PRINCIPAL OFFICERS (as at 15 July 2009)

Chief Executive	Gillian Bowen
Director of Finance	Paul Biberkraut
Acting Director of Operations	John Faulkner
Director of Young Peoples Services	Charles O'Doherty
Head of Human Resources	Sally Yousif

TRUSTEES (See page 4)

CITY YMCA, LONDON
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009

The Trustees, who are also the Directors of the Company under the Companies Act 1985, present their report and financial statements of the Association for the year ended 31 March 2009.

The reference and administrative details set out on page 2 forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

City YMCA, London is governed in accordance with its Memorandum and the Articles of Association.

Company History

London City YMCA was incorporated on 8 March 1996 and commenced trading on 1 October 1996. London City YMCA accepted a transfer of engagements from the Barbican YMCA on 1 December 2005 and at that date changed its name to City YMCA, London.

The Company is limited by guarantee and does not have a share capital

Directors and Trustees

The Directors, who are also Trustees for the purposes of charity law and throughout this report are referred to as Trustees, are elected at the annual general meeting of the Association for a period not to exceed three years or appointed by the Board of Trustees in the case of a vacancy in accordance with Articles of the Association. For the purposes of this report the terms Board of Management and Board of Trustees are interchangeable.

A Board of Trustees of up to 12 members, who meet at least quarterly, administer City YMCA, London. None of the Trustees has any beneficial interest in City YMCA, London. All of the Trustees are members of City YMCA, London and are liable to contribute £1 in the event of a winding up. The work is accountable through bi-monthly meetings of the Board and its Audit Committee which receive reports from the executive officers. Consistency is maintained through a five-year strategic plan, a two year business plan, and, policies and procedures that are regularly reviewed. The principal officers meet twice a month as the executive team and with all managers monthly as the management team. Each department team meets regularly.

The Board of Trustees is responsible for high level strategic decisions, monitoring performance against high level targets, ensuring statutory and regulatory compliance; ensuring financial controls are appropriate and managing risk.

The Chief Executive is responsible for leading the staff team, liaising with the Board of Trustees and keeping them appropriately informed, developing strategy, ensuring targets are realised, effecting statutory and regulatory compliance, developing risk management policies and processes, ensuring day to day management is efficient and ensuring that the capacity of City YMCA, London is adequate for task.

The longest serving one third of the Members of the Board have to resign each year and may offer themselves for re-election for a further three years. A Trustee requires at least two nominations to be elected or re-elected. All Trustees are subject to Criminal Records Bureau-vetting, in recognition of the fact that City YMCA, London works with vulnerable groups.

New Trustees receive a formal induction including induction materials to acquaint them with City YMCA, London's policies and practices, aims, activities, management and governance.

CITY YMCA, LONDON
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

The Trustees of City YMCA, London during the year were:

Mr. Robert Thompson – Chairman (from 10 December 2008 and previously Vice Chairman)
Mr. Jean-Christophe Demay – Treasurer (from 10 December 2008)
Mr. Mark Poulding-Wright – Vice Chairman (from 10 December 2008)
Dr. Simon Marcelli (Chairman until 10 December 2008)
Mr. Tony Graham – Resigned (Treasurer until 10 December 2008)
Mr. John Barker, OBE
Ms. Patsy Mills
Mr. Douglas Mobsby – Resigned (23 April 2009)
Mr. Ian Ogilvie
Ms. Jean Reed
Mr. Matthew Smith (from 10 December 2008)
Ms. Pat White

Network and Other Relationships

City YMCA, London is an independent member of the YMCA movement in England.

Subsidiary Company

City YMCA, London has a wholly-owned subsidiary, City YMCA London Trading Limited. The subsidiary provides catering services to the residents of our hostels and markets rooms for conferencing together with the attendant catering. On 31 March 2009 the subsidiary ceased active operations, all of its trading activities were transferred, and, all of its assets and liabilities were assigned to City YMCA, London.

Risk Management

The Risk Management Policy and related procedures were reviewed and updated during the year including approval of the latest risk register with action plans by the Board of Trustees in accordance with the Policy.

AIMS, OBJECTIVES AND ACTIVITIES

Objects

The objects of the Association as defined in paragraph 1.1 of the Memorandum are:

- 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.
- To lead people (particularly young people) to the Lord Jesus Christ and to the fullness of life in Him.
- To provide, improve and manage (whether directly or in association with others) house or hostels providing residential accommodation for people (particularly young people) in necessitous circumstances upon terms appropriate to their means.
- To provide or assist in the provision, in the interest of social welfare, of facilities for recreation or other leisure time occupation for men, women and children with the object of improving their conditions of life.

CITY YMCA, LONDON
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

Overall Aim

The strategic aim of the City YMCA, London is to help young people build a future by improving the social, mental, physical and spiritual health of young people aged 11-25 and their communities in the City and East London.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and in planning our future activities. In particular, our trustees consider how planned activities will contribute to the aims they have set. We provide public benefit through the services we engage in to achieve our intended outcomes.

Intended Outcomes

1. To improve the physical, emotional and psychological well-being of young people
2. Build safe and inspiring communities for young people
3. Provide life-changing opportunities for young people to learn and achieve
4. Support young people in preparing for independent living
5. Provide opportunities for spiritual growth for young people
6. Improve the participation of young people in their communities
7. To support vulnerable and at risk young people through transition
8. To increase the emotional literacy skills of young people to enable them to cope with adult life

Outputs

Direct access services:

- Sexual health clinic
- Condom distribution
- Specialised youth work provision
- Informal education delivery
- Outreach service
- Generic youth work

Structured or referral Services:

- Supporting People programme
- Housing provision
- Accredited training
- Signposting to Counselling service
- Tolerance in Diversity

Special projects including:

- Music programme
- Social enterprise
- Football coaching
- Drum Radio Works

CITY YMCA, LONDON
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

Activities

The principal activity of City YMCA, London is to help young people build a future, by providing a range of services including residential accommodation, centre-based and outreach youth work and fitness activities.

Achievements and Performance

Our Chief Executive, Gillian Bowen, was tasked with continuing and leading the development and implementation of an updated strategic direction and plan that encompassed a review of City YMCA, London's vision, mission and goals, and, the integration of any remaining merger legacy issues.

In January 2009 the Board of Trustees approved, as an outgrowth of strategic planning initiatives, an updated vision, mission and goals.

In June 2007 the Board of Trustees agreed to proceed with the sale of the Errol Street hostel. This strategic decision was taken to facilitate the long-term effective support of young people through residential provision. A buyer for the hostel was identified and negotiations began in 2007, but in January 2009 the buyer terminated negotiations due to what City YMCA, London believes to be the rapidly declining real estate and financial markets that occurred during 2008. Although it continues to be the intention of the Association to ultimately sell the building as its sale fits within the long-term strategic vision of City YMCA, London, the Association will also consider the option of refurbishing the hostel to make it fit for purpose based on a planned feasibility study that is anticipated to occur over the next 12 to 18 months.

During this past year, City YMCA, London has continued to develop service provision, both in terms of quality and scope, for the benefit of young people. City YMCA, London has undertaken a job evaluation project to ensure job descriptions and profiles better reflect the roles, responsibilities, tasks, skills sets and experience both required and desired for positions at every level in the organisation and to ultimately link the jobs to appropriate levels of compensation.

Equal access to our services is an important issue for us. Our services are predominately targeted to youth between the ages of 11 to 25. We will only restrict individuals in participating in our programmes on the basis of their age when it is the rational requirement of a funding source to limit the age group being served. Our non-supported hostel and fitness services have open access and are offered at affordable rates to the community. We believe equal access to our services is vital to our success and that successful outcomes must be shared, where possible, by all communities that use our services.

In pursuit of its strategic objectives, City YMCA, London delivered services for over 1,500 individual young people in accordance with its annual business plan and associated work project plans. Working in the London boroughs of Islington, Hackney, and Tower Hamlets and in the City of London a range of services for young people was designed to engage, challenge and promote progression. The following points provide examples of how City YMCA, London has worked toward and delivered upon its intended outcomes for the public benefit:

1. To improve the physical, emotional and psychological well-being of young people

City YMCA incorporates emotional literacy into all its programmes to ensure young people are supported through adolescence as they come to understand themselves. Specific examples include Drum Radio Works, where young people address barriers to employment and education, and the Drum Sexual Health Service, where young people

explore decision-making processes in relation to relationships and sex. In Resident Support Services we contracted a Connexions Personal Adviser for three days a week to support young people aged up to 19 or 25 with learning disabilities into re-engaging in training and employment.

2. Build safe and inspiring communities for young people

City YMCA has continued to work closely with the Islington Community Safety Board, to provide opportunities for young people to share concerns and create solutions through the Youth Consultation Project. In the London Borough of Tower Hamlets, the Tolerance in Diversity project ensures that young people are involved in peer-led training sessions addressing issues of hate-crime and discrimination. This year the project won the “No Place for Hate” contract enabling us to work in schools and youth clubs in the borough. Meanwhile in Resident Support Services security was reviewed and the house rules were revised in consultation with our resident forums.

3. Provide life-changing opportunities for young people to learn and achieve

Over 1,200 young people engaged in City YMCA's Youth Projects, with 405 receiving a recorded outcome (meaning they demonstrated significant progress). A further 52 achieved an accredited outcome through the work. In the Drum Radio Works, 15 young people completed a Level II in Urban Arts (Radio Production) and gained transferable skills through employability workshops and work placements. In the Blue Hut Project, 24 young people completed accredited outcomes in fields such as Life guarding, First Aid, and Food Hygiene. Meanwhile Tolerance in Diversity provided a full in-house training programme for peer workers including OCN Level II in Youth Work.

4. Support young people in preparing for independent living

Almost 50 of our supported residents moved-on from Errol Street as a result of attending our Life Skills sessions which focused on independent living skills.

5. Provide opportunities for spiritual growth for young people

The Resident Support Team ran two faith events during Ramadan and Christmas to celebrate the diversity of the communities from which our residents come. We also have a cultural calendar on all floors containing information on how young people can celebrate and engage in future events. In addition, Errol Street contains the quiet room which residents and staff use for prayer and reflection.

6. Improve the participation of young people in their communities

Young people have the opportunity to get involved in decision-making through recruitment of staff, department steering groups, marketing, regular review of services and the planning of activities and events. One very good example of this is the production of this year's Annual Review, where young people spent time researching and talking with designers before coming up with some key ideas which shaped the overall appearance of the review. In addition, young people from Tolerance in Diversity and the Supporting People team planned and hosted this year's annual general meeting.

7. To support vulnerable and at risk young people through transition

Over the past year the Resident Support Team have dealt with fifteen vulnerable young people involving joint-working with Social Services, Children's Care and probation services. We have supported and taken the lead professional role within these cases to ensure successful outcomes were achieved. We have also worked in collaboration with

mental health services in the case of residents who had a history of self-harm. Additionally, we provide access to an in-house counsellor who has assisted seventeen young people throughout the year.

8. To increase the emotional literacy skills of young people to enable them to cope with adult life

Life skills are one of the factors that we are emphasising this year with our residents to prepare young people for move-on and the challenges of independent living. We also contracted a consultant to deliver weekly emotional literacy sessions which have proved very successful.

Through the development of effective working partnerships, good relationships with local stakeholders and the active participation of young people in decision making, City YMCA, London's young people services have continued to help the young people of the City and East London build positive, meaningful futures.

Future Developments

City YMCA, London have revised its strategy and associated strategic themes to ensure continual development, sector fit and the promotion of good practice. The implementation of the revised strategy will commence during 2009/10 and includes a variety of growth patterns for service development. Alongside this, a review of the top management structure will take place with a view to merging the finance department with the human resource department following the identification of key synergies among the departments. This will be process driven and will include such as areas as regulatory compliance; policy & procedure function; sensitive data holders - confidential employee information; and, visibility – corporate reach. It is perceived that such an alignment would unify the two departments into one corporate function.

Following an in-depth consultation regarding Christian Ethos, City YMCA, London will recruit a Chaplain to primarily offer support to staff, develop relationships with other faith sectors and signpost to services as appropriate. This will be an exciting addition to services at City YMCA, London to help in the pursuance of the YMCA triangular symbol of unity, encompassing mind, body and spirit.

A commitment has formally been made to pursuing a nationally recognised quality standard – Investors in People. Following a formal commitment during the past year, which included an assessment, a workplan will be implemented during 09/10 to progress further to accreditation. In addition, YMCA England have developed a quality standard – Insync – which City YMCA, London will also seek to achieve alongside the development plan for Investors in People.

Buildings are a key feature in the revised strategic plan and City YMCA, London will commence upon a capital appeal model to generate refurbishment funds to ensure its properties remain viable, sustainable and realise their economies of scale. The organisation is keen to ensure that resident young people have a home which is fit for purpose, aesthetically welcoming and supports their well being.

CITY YMCA, LONDON
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

Financial Review

The deficit for the year on the Consolidated Statement of Financial Activities amounted to £165,820 as compared to surplus of £219,867 for the previous year. The primary factors causing the deficit in this current year were the substantial increase in utilities and maintenance costs and the write-off of £132,871 of legal and survey costs incurred attempting to negotiate the sale of our Errol Street Hostel.

Total incoming resources increased slightly by £45,367 over the previous year to £3,559,358. This increase was primarily due to increased fitness income and funding of youth projects, but was partially offset by lower letting income. Letting income decreased due to the mix of residents occupying our hostels and not due to occupancy rates. Total resources expended increased by £406,406 over the previous year to £3,700,530. This increase was primarily due to the one time write-off of £132,871 of legal and survey costs as indicated above, significant increases in utility rates, higher maintenance and repair costs, and, labour costs associated the security, health and safety requirements associated with managing our hostels. Additionally, youth projects required higher operating costs associated with the level of funding that we received.

In response to the significant increase in expenditures and the resulting deficit, the Board of Trustees has tasked our executive team to develop and implement a financial plan with the aim of bringing our Association to a small surplus position in the coming year. The executive team is currently implementing a plan of increasing revenue particularly focused on increased letting income and securing youth projects income to substantially cover youth project expenditures as well as an expenditure control programme focused on labour, repairs and maintenance and utilities.

Group Reserves

City YMCA, London requires reserves for the following primary reasons: to contribute to fulfilling its aims and purposes, to allow for change, growth and development and to meet known potential liabilities, included the estimated cost of any risks that cannot be covered by other means, including insurance. From time to time City YMCA, London also holds reserves where the donor has placed restrictions on its use. During the year the Trustees carried out a strategic review of its reserve requirements with the following results:

Total reserves are made up as follows: £134,551 and £129,654 have been invested respectively in the property at the Errol Street Hostel and the leaseholds at the Barbican Hostel and the Drum and these sums are matched by property assets that are not available for general use. Similarly, £63,875 represents the amount invested in other fixed assets. To cover the risk of the possibility of a future loss of business £470,000 has been set aside. The Trustees believe that the future loss of business reserves is inadequate and should be given priority over other less urgent reserve categories. Further, £25,000 has been set aside to cover commitment at Lambourne End.

Additionally, the Trustees determined that the enabling investment reserve previously set at £250,000 be reduced to £50,000 until such time other reserve categories are better funded. The 'free' unrestricted general reserve has been reduced to a nominal balance of £2,486 based on the need for other targeted reserves.

**CITY YMCA, LONDON
TRUSTEES' REPORT (continued)**

AUDITORS

A resolution to reappoint haysmacintyre will be proposed at the forthcoming Annual General Meeting.

Company law and housing association legislation relating to Registered Social Landlords requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and legislation relating to Registered Social Landlords. They are also responsible for safeguarding of assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to each that the company's auditors are aware of that information.

SERIOUS INCIDENT DECLARATION

The Board of Trustees of City YMCA, London declares that there are no serious incidents or other matters that should have been brought to the attention of the Charity Commission during the financial year ended 31 March 2009 in accordance with the statutory requirements under Section 48 of the Charities Act 1993.

BY ORDER OF THE BOARD

15 July 2009

Robert Thompson, Chairman

Jean-Christophe Demay, Treasurer

CITY YMCA, LONDON
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009(continued)

INTERNAL CONTROL

The Board of Trustees acknowledges its ultimate responsibilities for ensuring that City YMCA, London has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designated to give reasonable assurance with respect to:

- the reliability of financial information used within the company or for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use or disposition
- the control of key financial risks through clearly laid down authorisation levels and proper segregation of duties
- subjection of all planned new initiatives to a detailed risk assessment process, the results of which are reported to the Board of Trustees
- a fundamental review of strategic risks and costs and a consequent reassessment of the priorities and of the means of delivering services
- setting budgets and managing within resources
- using resources effectively.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the company's assets.
- Experienced and suitably qualified staff takes responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance.
- Clear responsibilities on the part of line and financial management are in place for the maintenance of good financial controls and the production of accurate and timely financial management information.
- Budgets and forecasts are prepared which allow the Board and Management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term, regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- City YMCA, London's internal and external auditors review the internal financial controls and procedures and that the Audit Committee monitors the auditors reports.
- All significant new initiatives, major commitments and investments projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.

BY ORDER OF THE BOARD

15 July 2009

Robert Thompson, Chairman

Jean-Christophe Demay, Treasurer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY YMCA, LONDON

We have audited the consolidated financial statements of City YMCA, London for the year ended 31 March 2009 which comprise the statements of financial activities, the consolidated and charitable company balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board of Management and auditors

The Board of Management is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The members of the Board of Management are the directors of City YMCA, London for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you if, in our opinion, the Board of Management report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company are not disclosed.

We read the report of the Board of Management and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimated and judgements made by the Board of Management in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY YMCA, LONDON
(continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and Group as at 31 March 2009 and of its income and expenditure and cash flow for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006 and,
- the information given in the Report of the Board of Management is consistent with the financial statements.

**haysmacintyre
Chartered accountants
Registered Auditors
Fairfax House
15 Fulwood Place
London, UK WC1V 6AY**

CITY YMCA, LONDON
GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Accounts)
FOR THE YEAR ENDED 31 MARCH 2009

		Unrestricted Housing Activities	Non- Housing Activities	Restricted Charitable Activities	2009	2008
	Notes	£	£	£	£	£
INCOMING RESOURCES						
Generated Funds						
Gifts and donations		74	-	-	74	15,847
Activities for generating funds						
Subsidiary's non-charitable external trading income		-	74,848	-	74,848	85,677
Investment income - gross		-	25,925	-	25,925	27,866
Incoming resources from charitable activities						
Lettings income	3	2,352,688	-	-	2,352,688	2,390,885
Supporting People income		394,408	-	-	394,408	385,849
Youth projects income		-	-	403,591	403,591	331,518
Fitness centre income		-	307,824	-	307,824	251,783
Other incoming resources		-	-	-	-	24,566
Total incoming resources		2,747,170	408,597	403,591	3,559,358	3,513,991
RESOURCES EXPENDED						
Charitable activities						
Letting expenditure	3	1,930,183	-	-	1,930,183	1,783,740
Catering expenditure	3	483,340	-	-	483,340	526,184
Supporting People Expenditure		379,565	-	-	379,565	378,903
Youth projects expenditure		-	-	454,824	454,824	370,560
Fitness centre expenditure		-	286,847	-	286,847	195,406
Legal and survey expenditures for cancelled sale of Errol Street Hostel		132,871	-	-	132,871	-
Governance costs		29,610	3,290	-	32,900	39,331
Total resources expended		2,955,569	290,137	454,824	3,700,530	3,294,124
NET (EXPENDITURE)/INCOME	5	(208,399)	118,460	(51,233)	(141,172)	219,867
Transfer between funds	12	268,329	(319,562)	51,233	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		59,930	(201,102)	-	(141,172)	219,867
Other recognised gains and losses						
Unrealised (loss) on investment	9	-	(24,648)	-	(24,648)	(7,033)
NET MOVEMENT IN FUNDS FOR THE YEAR	12	59,930	(225,750)	-	(165,820)	212,834
FUND BALANCE AT BEGINNING OF YEAR		270,150	771,236	-	1,041,386	828,552
FUND BALANCE AT END OF YEAR	12	328,080	545,486	-	875,566	1,041,386

The surplus /(deficit) for the year includes all gains and losses recognised in the year.
All amounts derive from continuing activities.

**CITY YMCA, LONDON
GROUP BALANCE SHEETS
AS AT 31 MARCH 2009**

	Notes	Charity		Group	
		2009 £	2008 £	2009 £	2008 £
FIXED ASSETS					
Housing properties - depreciated cost	7	3,024,343	3,028,080	3,024,343	3,028,080
Supporting housing grant	7	<u>(2,889,792)</u>	<u>(2,889,792)</u>	<u>(2,889,792)</u>	<u>(2,889,792)</u>
		134,551	138,288	134,551	138,288
Charitable leasehold property, net	7	129,654	113,867	129,654	113,687
Other fixed assets, net	8	63,875	18,175	63,875	18,175
Investments	9	<u>65,082</u>	<u>89,730</u>	<u>65,080</u>	<u>89,728</u>
		<u>393,162</u>	<u>360,060</u>	<u>393,160</u>	<u>359,878</u>
CURRENT ASSETS					
Stock		3,442	1,128	3,442	7,047
Debtors	10	300,851	592,141	300,851	485,160
COIF charities deposit accounts		204,995	192,222	204,995	192,222
Cash at bank and in hand		<u>353,041</u>	<u>304,345</u>	<u>353,041</u>	<u>432,770</u>
		862,329	1,089,836	862,329	1,117,199
CREDITORS					
Amounts falling due within one year	11	<u>(379,925)</u>	<u>(416,271)</u>	<u>(379,923)</u>	<u>(435,691)</u>
NET CURRENT ASSETS		<u>482,404</u>	<u>673,565</u>	<u>482,406</u>	<u>681,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>875,566</u>	<u>1,033,625</u>	<u>875,566</u>	<u>1,041,386</u>
FUNDS AND RESERVES	12				
Non-charitable trading reserves		-	-	-	7,940
Designated housing reserves					
Housing property reserve		134,551	138,288	134,551	138,288
Charitable leasehold property reserve		129,654	113,687	129,654	113,687
Other fixed asset reserve		63,875	18,175	65,802	18,175
Designated charitable funds reserves					
Lambourne End Limited reserve		25,000	25,000	25,000	25,000
Major risk/Loss of business reserve		470,000	270,000	470,000	270,000
Enabling investment fund reserve		50,000	250,000	50,000	250,000
Unrestricted charitable funds reserve					
General charitable fund		<u>2,486</u>	<u>218,296</u>	<u>2,486</u>	<u>218,296</u>
		<u>875,566</u>	<u>1,033,446</u>	<u>875,566</u>	<u>1,041,386</u>

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

Robert Thompson, Chair

Jean-Christophe Demay, Honorary Treasurer

**CITY YMCA, LONDON
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

	2009	2008	
	£	£	£
Cash flow from operating activities			
Reconciliation of net movement in funds to net cash inflow (outflow) from operating activities:			
Statement of Financial Activities - Net movement in funds	(165,820)	212,834	
Investment income	(25,925)	(27,866)	
Depreciation	56,202	51,262	
Unrealised loss on investment	24,648	7,033	
Decrease (Increase) in stock	3,605	(2,934)	
Decrease (Increase) in debtors	184,309	(157,792)	
Increase (Decrease) in creditors	<u>(55,768)</u>	<u>82,512</u>	
Net cash inflow (outflow) from operating activities	<u>21,251</u>	<u>165,049</u>	
Returns on investments and services of finance			
Investment income	<u>25,925</u>	<u>27,866</u>	
Capital expenditure and financial investment			
Payments for tangible fixed assets	<u>(114,132)</u>	<u>(60,744)</u>	
Net cash inflow (outflow) for the year	<u>(66,956)</u>	<u>132,171</u>	
			Change in the year
Analysis of change in cash during the year	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	353,041	432,770	(79,729)
COIF charities deposit accounts	<u>204,995</u>	<u>192,222</u>	<u>12,773</u>
	<u>558,036</u>	<u>624,992</u>	<u>(66,956)</u>

**CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the applicable Accounting standards and in accordance with the Statement of Recommended Practice (SORP) – “Accounting for Registered Social Landlords” issued by the National Housing Federation in the United Kingdom. Elements of the SORP “Accounting and Reporting by Charities” (SORP 2005), issued in March 2005, have been applied in so far as it is considered appropriate to give a true and fair view. A summary of the principal accounting policies is set out below.

- a. **Basis of Accounting** – The financial statements have been prepared on the historical cost basis of accounting with the exception of the COIF investments which is included at market value.
- b. **Basis of Consolidation of the Trading Subsidiary** – The group financial statements include the results for the year ended 31 March 2009 of the City YMCA, London and its subsidiary company City YMCA London Trading Limited. The results of the subsidiary are included on a line by line basis and its own profit and loss account and balance sheet are show in note 2.
- c. **Income** – Income comprises rental income receivable, service charges receivable, miscellaneous income, grants receivable from the London Borough of Islington, Fitness Centre income and other sources of funds for Housing, Fitness Centre and Youth Work activities. All income is included on a receivable basis.
- d. **Fixed Assets and Depreciation** – Tangible fixed assets, except housing properties, are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic life of each assets at the following annual rate:
 - i. Equipment, fixtures and fittings – 20% per annum
 - ii. IT equipment is written off in the year of purchase
- e. **Properties** – Long leasehold properties are stated at cost. The cost of housing property includes the cost of acquiring property and subsequent development expenditure. The net cost of long leasehold housing property, after deducting Supported Housing Grant, is depreciated over the expected useful economic life of 45 years. The cost of leasehold charitable property is depreciated over the remaining period of the lease which expires in 2025. City YMCA, London occupies a building at 2 Fann Street, London, EC2Y 8BR which is owned by the Corporation of London and on which a lease was extended for 21 years from 4 April 1990 at a peppercorn rent to YMCA England. City YMCA, London bears the cost for maintenance of the property, its insurance cover, its rates and any taxes levied thereon.
- f. **Supporting Housing Grant** – Supporting Housing Grant (SHG) is paid by the Tenant Service Authority (formerly Housing Corporation) to reduce the cost of development and is therefore shown as a deduction from the cost of housing properties on the Balance Sheet. SHG is repayable under certain circumstances, primarily the sale of the property.
- g. **Maintenance Reserve** – The company has established a regular programme of cyclical repairs and maintenance and has formulated a costed maintenance plan. Costs are charged to income and expenditure account in the year in which they are incurred. Following a strategic review of reserves, it is no longer deemed necessary to hold a specific maintenance reserve.

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

1. PRINCIPAL ACCOUNTING POLICIES (continued)

- h. **Property Reserves – Housing and Charitable** – This represents the proportion of reserve tied up in property, being depreciated cost less the supported housing grant where relevant.
- i. **Investment** – Investments are included in the Balance Sheet at mid-market value. Gains or losses on the investment portfolio are accounted for under the Statement of Financial Activity (SOFA)
- j. **Resources Expended** – Expenditure is recognised on an accrual basis as a liability incurred. Housing activities include expenditure associated with the provision of hostel accommodation and Charitable activities include expenditure associated with youth work and the provision of fitness facilities and include both direct costs and support costs relating to these.
- k. **Support Costs** – Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor area, staff costs by the time spent and other costs by their usage or by head count.
- l. **Governance Costs** – Governance costs include those costs associated with meeting the constitutional and statutory requirements of City YMCA, London and include the audit fees and costs linked to the strategic management of City YMCA, London
- m. **Funds** – Any restricted or designated funds held by City YMCA, London at the year end are clearly shown as such on the Balance Sheet.
 - i. General unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of City YMCA, London
 - ii. Restricted funds are funds where the donor has imposed restrictions as to future use.
- n. **Pension Costs** – City YMCA, London participates in a multi-employer pension plan for employees of YMCAs in England, Scotland and Wales. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to City YMCA, London for the purposes of FRS 17 disclosure. The cost of the defined pension plan is charged to the statement of financial activities so as to spread the cost of pensions over the service lives of employees. Pension cost is assessed in accordance with advice of qualified actuaries. Actuarial surpluses and deficits are currently spread over a period of 12 years.
- o. **Stocks** – Stocks, which comprise consumables, are valued at the lower of cost and net realisable value.
- p. **Operating Lease Rentals** – Operating lease rentals are charged to the income and expenditure account as incurred.

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

2. NON-CHARITABLE SUBSIDIARY COMPANY

City YMCA, London beneficially owns the entire issued share capital of City YMCA London Trading Limited comprising two ordinary shares of £1 each, one held by the City YMCA, London and the other, on behalf of our Association by our Chairman. City YMCA London Trading Limited operates restaurant, catering and conference facilities. Audited accounts have been filed with the Registrar of Companies and have been consolidated with those of City YMCA, London in the group accounts presented here. The net income from the non-charitable trading activities of this subsidiary is summarised below:

	<u>2009</u>	<u>2008</u>
Profit and loss account		
Turnover	£ 688,023	£ 584,559
Cost of sales	535,581	441,730
Gross profit	152,442	142,829
Administration costs	<u>105,986</u>	<u>84,454</u>
Operating profit	46,456	58,375
Gift Aid	<u>54,396</u>	<u>58,375</u>
(Loss) profit on ordinary activities before taxation	(7,940)	-
Corporation Tax	<u>-</u>	<u>-</u>
(Loss) profit on ordinary activities after taxation retained in subsidiary	£ (7,940)	£ -
Aggregate capital and reserves at 31 March	£ -	£ 7,940

The following transactions took place between the company and its trading subsidiary:

Charges in respect to staff supplied to trading subsidiary	£ 216,011	£ 218,848
Charges made by trading company for restaurant management services	£ 596,838	£ 498,882
Charges in respect of other services supplied to trading subsidiary	£ 158,149	£ 4,217
Gift Aid paid by trading subsidiary	£ 54,396	£ 58,375

Outstanding balances with trading subsidiary at the Balance Sheet date are set out in note 11.

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

3. INCOME AND EXPENDITURE FROM LETTING

INCOME AND EXPENDITURES FROM LETTINGS	2009	2008
	£	£
Income from lettings		
Rent receivable net of identifiable service charges	1,504,337	1,706,100
Service charges receivable	<u>1,365,427</u>	<u>1,228,617</u>
Gross rents receivable	2,869,764	2,934,717
Rent losses from voids	<u>(521,296)</u>	<u>(591,174)</u>
	2,348,468	2,343,543
Other housing income	<u>4,220</u>	<u>47,342</u>
Net income from letting activities	<u>2,352,688</u>	<u>2,390,885</u>
Expenditure on letting activities		
Services	1,241,254	1,055,845
Management	422,038	378,061
Routine maintenance	154,506	163,148
Planned maintenance	45,485	64,057
Rent losses from bad debts	38,138	118,892
Depreciation on housing property	<u>28,762</u>	<u>3,737</u>
Total expenditures on lettings activities	<u>1,930,183</u>	<u>1,783,740</u>
Catering expenditures	<u>483,340</u>	<u>526,184</u>
Operating surplus (deficit) on letting activities	<u>(60,835)</u>	<u>80,961</u>
Number of units in management at the end of the year	<u>365</u>	<u>365</u>

6 units were not available for letting due to long-term maintenance and are not included in the calculation of voids

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

4. TRUSTEES AND EMPLOYEE INFORMATION

Trustee information

No remuneration was paid to the Trustees during the year (2008 - £nil). Trustees are reimbursed for nominal out-of-pocket travel expenses. Trustees are covered by Trustee Indemnity Insurance, but it is not possible to identify the cost separately.

Employee information

	2009	2008
	<u>£</u>	<u>£</u>
Employee cost for the group during the year		
Salaries and wages	1,576,187	1,399,520
Social security costs	137,879	125,668
Other pension costs (see note 13)	<u>57,067</u>	<u>51,761</u>
	<u>1,771,133</u>	<u>1,576,949</u>

The number of employees whose emoluments amount to over £60,000 during the year was £nil (2008 – £nil)

Average number of persons employed during the year at full time equivalent

	2009	2008
	<u></u>	<u></u>
Management	8	10
Housing and support	32	34
Youth work	9	9
Catering	9	10
Fitness centre	<u>3</u>	<u>2</u>
	<u>61</u>	<u>65</u>

5. NET INCOME/(EXPENDITURE)

	2009	2008
	<u>£</u>	<u>£</u>
This is stated after charging:		
Auditors' remuneration		
Parent company	7,650	7,350
Trading subsidiary	<u>1,600</u>	<u>1,575</u>
	9,250	8,925
Depreciation	56,203	51,262
Operating lease rentals and licenses	<u>27,566</u>	<u>22,320</u>
	<u>93,019</u>	<u>82,507</u>

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

6. TAXATION

City YMCA, London is a registered charity and a Housing Association registered with the Tenant Services Authority and is, therefore, exempt from liability to taxation on its income and capital gains from charitable activities.

7. FIXED ASSETS – LONG LEASEHOLD PROPERTIES

	Beginning of year	Additions	Disposals	End of year
	£	£	£	£
Housing				
Cost	3,057,976	-	-	3,057,976
Depreciation	(29,896)	(3,737)	-	(33,633)
Net depreciated cost	3,028,080	(3,737)	-	3,024,343
Supporting housing grant	(2,889,792)	-	-	(2,889,792)
Net book amount	138,288	(3,737)	-	134,551
Charitable				
Cost	158,518	44,366	-	202,884
Depreciation	(44,831)	(28,399)	-	(73,230)
Net book amount	113,687	15,967	-	129,654

City YMCA, London occupies a building located at 2 Fann Street, London, EC2Y 8BR, which is owned by the Corporation of London. The lease for this building expires in April 2011. City YMCA, London pays a peppercorn rent for the building and bears the cost for maintenance of the property, its insurance cover, its rates and any taxes levied thereon.

8. OTHER FIXED ASSETS

	Beginning of year	Additions	Disposals	End of year
	£	£	£	£
Computer equipment				
Cost	139,754	10,089	-	149,843
Depreciation	(139,754)	(10,089)	-	(149,843)
Net book amount	-	-	-	-
Furniture and fittings				
Cost	50,413	59,677	-	110,090
Depreciation	(32,238)	(13,977)	-	(46,215)
Net book amount	18,175	45,700	-	63,875
Total net book amount	18,175	45,700	-	63,875

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

9. INVESTMENTS

	2009	2008
	<u>£</u>	<u>£</u>
COIF Charities Investment Fund		
Historical Cost	<u>76,810</u>	<u>76,810</u>
Market Value		
Beginning of the year	89,728	96,761
Unrealised gain (loss) on investment	<u>(24,648)</u>	<u>(7,033)</u>
End of the year	<u>65,080</u>	<u>89,728</u>

Unquoted investment – In addition to the above investment, the Charity held shares in a wholly owned subsidiary used for non-charitable purposes, which are carried at their historical cost of £2.

10. DEBTORS

	Charity		Group	
	2009	2008	2009	2008
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year:				
Rent debtors	137,293	80,042	137,293	80,043
Due from subsidiary company	-	123,149	-	-
Other debtors and prepayments	<u>162,928</u>	<u>388,950</u>	<u>162,928</u>	<u>405,116</u>
	<u>300,851</u>	<u>592,141</u>	<u>300,851</u>	<u>485,159</u>

11. CREDITORS

	Charity		Group	
	2009	2008	2009	2008
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year:				
Trade creditors	104,856	149,505	104,856	167,350
Social security and other taxes	38,651	35,079	38,651	35,079
Owing to subsidiary company	2	-	-	-
Other creditors and accruals	<u>236,416</u>	<u>231,688</u>	<u>236,416</u>	<u>233,262</u>
	<u>379,925</u>	<u>416,272</u>	<u>379,923</u>	<u>435,691</u>

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

12. TOTAL FUNDS

	Beginning of year £	Movement during year £	Transfers £	End of year £
Designated reserves				
Property reserve housing	138,288		(3,737)	134,551
Property reserve charitable	113,687		15,967	129,654
Other fixed assets reserve	18,175		45,700	63,875
Lambourne End Limited reserve	25,000			25,000
Major risk/Loss of business reserve	270,000		200,000	470,000
Enabling investment fund	250,000		(200,000)	50,000
Unrestricted charitable funds				
General charitable funds	218,296	(157,880)	(57,930)	2,486
Sub-total unrestricted funds	1,033,446	(157,880)	-	875,566
Charity total funds	1,033,446	(157,880)	-	875,566
Non-charitable trading funds	7,940	(7,940)		-
Group total funds	1,041,386	(165,820)	-	875,566

Designated reserves have been identified by the Association for the following purposes:

- Property reserve housing represents the net book value of housing property.
- Property reserve charitable represents the net book value of leasehold property at the Barbican Hostel and the Drum.
- Other fixed assets reserve represents the net book value of other fixed assets.
- Lambourne End Limited reserve relates to our commitment to Lambourne End's obligations in the event of its winding up.
- Major risk/Loss of business reserve is to cover the possibility of a future loss of business.
- Enabling investment fund represents reserves set aside for the investment in future young people services programmes.

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

13. PENSION COMMITMENT

City YMCA, London participates in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of City YMCA, London and at the year end these were invested in pooled funds operated by Legal and General (equities, bonds and property units) and Schroder (property units only.)

After taking professional advice and having given consideration to the various options open to them, YMCA England in its capacity as Principal Employer in the YMCA Pension Plan and in conjunction with the Trustee of the YMCA Pension Plan, made the recommendation that the YMCA Pension Plan should close to new members and future benefit accruals. After consultation with members and participating YMCA employers, the Trustee of the YMCA Pension Plan informed City YMCA, London on 8 May 2006 that they would adopt the recommendation. The YMCA Pension Plan was closed to new members and future benefit accrual with effect from 30 April 2007.

An interim valuation, prepared as at 1 May 2006, showed that the YMCA Pension Plan had a deficit of £22 million. City YMCA, London had been advised that it will need to make annual contributions of approximately £52,000 over a period of 12 years. This amount was based on the actuarial assumptions at that time and will vary in the future as a result of actual performance of the Pension Plan.

Additionally, the Association may have over time liabilities in the event of the non-payments by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible to quantify the potential amount that the Association may be called upon to pay in the future.

The most recent completed three year valuation was as at 1 May 2008. The assumptions used which have the most significant effect on the results of the valuation are those relating to inflation of 3.25% per annum, recovery period of 10 years, return on assets of 6.75% per annum, life expectancy from normal retirement age of 22.5 years for pensioners and 24.5 years for active participants, rate of earnings increase of 5% per annum, and the annual uplift in contributions of 5% per annum. The result of the valuation showed that the actuarial value of the YMCA Pension Plan assets of £49.4 million with a shortfall of £30.3 million. The assets represented 62% of the benefits that had accrued to members, after allowing for expected future increase in earnings. However, under Section 56 of the Pensions Act 1995, the Minimum Funding Requirement (the MFR) funding level was 89%.

In February 2009 City YMCA was advised that its combined annual contribution to the YMCA Pension Plan deficit and expenses will be approximately £52,000 per annum over a period of 10 years commencing on 1 May 2009. This amount may vary in the future based on potential changes in actuarial assumptions, the actual performance of the Pension Plan and non-payment by other participating YMCA's of their proportionate share of the Pension Plan deficit.

The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to City YMCA, London for the purposes of FRS17 disclosure and accordingly the FRS17 deficit is not shown on the Balance Sheet.

CITY YMCA, LONDON
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

14. OPERATING LEASE COMMITMENTS

The Association had commitments under operating leases for equipment that expired between one and five years as at 31 March 2009 of £43,334 (2008 - £28,279).

City YMCA, London occupies a building located at 2 Fann Street, London, EC2Y 8BR, which is owned by the Corporation of London. The lease for this building expires in April 2011. City YMCA, London pays a peppercorn rent for the building and bears the cost for maintenance of the property, its insurance cover, its rates and any taxes levied thereon. YMCA England and City YMCA, London are currently in discussion with the Corporation of London to renew the current lease. There are no assurances that the lease will be renewed on terms and conditions that are acceptable to YMCA England and City YMCA, London.

15. LAMBOURNE END LIMITED

City YMCA, London has entered into a partnership with three other charities, include two other YMCA's to manage Lambourne End Limited. Lambourne End Limited runs an outdoor activity centre for young people on a 54 acre site in rural Essex, just north of Chigwell. City YMCA, London has agreed to contribute up to a maximum of £25,000 in the unlikely event that Lambourne End Limited is wound up.

16. TRADING SUBSIDIARY EXPENDITURES

Substantially all of the trading subsidiaries expenditures relate to providing catering services to the Association's charitable housing activities and have been reflected as catering expenditures in the Consolidated Statement of Financial Activities.