

Board of Management's Report and Financial Statements for the Year End 31 March 2021

Cumbernauld YMCA

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Cumbernauld YMCA

Reference and Administrative Details of the Charity, Its Board of Management and Advisers for the Year Ended 31 March 2021

Board of Management

S McCrae	Chairman
D Michie	Honorary Treasurer
C Agnew	
J Lloyd	
E Gray	Association Secretary
P Reed	
K Knox	YMCA Scotland Representative

Charity Registered Number

SC014780

Principal Office

Kildrum Farm
Afton Road
Kildrum
Cumbernauld
Glasgow
G67 2DN

Chief Executive

Vacant from April 2018

Executive Director (Children's Services)

E Campbell

Independent Auditor

Paul McKendry FCCA
Chartered Certified Accountants
13 The Wynd
Cumbernauld Village
Cumbernauld
Glasgow
G67 2ST

Bankers

Clydesdale Bank PLC
30 St. Vincent Place
Glasgow
G1 2HL

Solicitors

The Cumbernauld Law Practice
28-30 Etrick Walk
Cumbernauld
Glasgow
G67 1NE

Board of Management's Report for the Year Ended 31 March 2021

The board members present their annual report together with the audited financial statements of the Charity for the year 1 April 2020 to 31 March 2021. The Board of Management confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Policies, Objectives and Activities

Cumbernauld YMCA recognises the Aims and Purposes of the International YMCA as exemplified through the global inverted "Red Triangle" that represents the core values of Body, Mind and Spirit in balance. As such our Association encourages its members to participate where possible in the national and International Family of the YMCA.

The Association adopted the following Mission and Vision Statements in August 2014.

MISSION

Committed to empowering children, young people and families in our communities.

VISION

Supporting our communities where everyone has the opportunity to achieve their potential.

CORE VALUES OF SERVICE

Integrity; Commitment; Empowerment; Compassion and Openness

Achievements and performance

Overview

Covid-19 effectively shut down our programme and services bar our supported accommodation for the whole year. Virtually our full staff team was furloughed for a year and it was to be another 6 months before we could get back to some kind of normality.

Our recovery plan had been developed but there was no respite from Covid-19 and any firm prospect yet of opening up the economy which was essential for our Children's Services to re-open. It would take till August 21 for us to fully re-open. Furlough was still in place and it would be phased out by December.

Meantime two key staff remained on full employment supported by our Executive Director (Children's Services); our Finance Manager (Payroll, etc.) and our Transport & Property Officer to ensure resident support and keep maintenance schedules up to date till we could fully re-open. Zoom became a key element of contact, training and support for staff and morale was consequently good.

Cash projections were stable and Core grant support continued so as the financial year end came along, we remained in a secure position ready to take the necessary steps to prepare to re-open as soon as possible in the new year. Overall, this has been a most challenging year for us all with a remarkable effort by the few to sustain the Association and its value to the communities we work in as society recovers from the effects of Covid-19.

Board of Management's Report for the Year Ended 31 March 2021 (continued)

Review of activities and programmes

Quality

The Association has maintained its support of quality Standards throughout this difficult time as evidenced by our own Quality Assessment review process, Charitable Status and Care Inspectorate requirements for childcare. Our Association also endeavours to meet Housing Support standards within the limited number of Supported Accommodation units retained for this valuable and necessary work in the interest of young people who find themselves homeless for whatever reason.

Strategic Review

New management structures, governance and further action to ensure sustainability had been reviewed but the impact of Covid-19 resulted in emergency measures which were hoped to be temporary. In effect the extra finance and governance load was taken up by the Chair whilst the Executive Director (Children's Services) took up the demands of keeping POMP out of school childcare ready and compliant with all the changing regulation and the required re-training and support for staff. Rather than a business plan we maintained an evolving strategy for coming out of lockdown complete with regular up-dates that took us through the whole year.

Children and Young People

The Children's Services department maintained its status as a very well recognised provider of Out of School Childcare. Revised SSSC standards in keeping with our peripatetic management model remained in focus but this required revision in the light of the new challenges. Staff training will be a clear focus as we move into the new year.

The Playzone outdoors space would be of more strategic value when we came out of lockdown and plans were in place to create a few shelters on site with a Port-a-Cabin to be installed next year.

Virtually all programmes have been deferred but our young residents received extra attention and assurance as they continue to cope with Covid restrictions.

Inter-agency work was partially maintained through face time and Zoom links. A new programme "Include & Aspire" has blended the two approaches to supporting young people facing difficulties at school between Bellshill & Mossend YMCA and ourselves that was due to start as soon after Easter as possible; running to end December 2021

Families

POMP Out of School Childcare was 'on care and maintenance' but we retained furloughed employment over the year with some training opportunities made available towards the end of the year. Some contact was maintained to prepare for our return after lockdown.

Operations

Work in support of young homeless continued within 13 single person bedsits with resident contact and support maintained. The financial stability of this work remains a primary focus for the Association to ensure continued resilience in our Supported Accommodation.

The garden was on a care and maintenance basis in the circumstances with further developments on hold including changes to our courtyard to incorporate a café.

Cumbernauld YMCA is a Scottish living wage employer and plans to introduce a 35hr week in the coming year have understandably been on hold but will be re-assessed as part of our recovery plan. Our organisational resilience has held us in good stead and will be fully tested again during our recovery strategy as we work through coming out of lockdown.

Board of Management's Report for the Year Ended 31 March 2021 (continued)

Covid-19 impact

Thankfully, our Association had a positive cash balance and a strengthened Balance Sheet of around £60k in Net Assets at the year end.

Maintaining our staff was a major challenge but being furlough provided a great deal of confidence though the strain on our core management should not be under-estimated. The up grade to our facilities and security to meet the new demands has been appreciated. Infection control systems have been introduced and ventilation is being improved in preparation for the return to work.

Challenges remain as we enter the new financial year, but we are much the wiser and have continued to learn from the experience. Protection arrangements limiting movement between zones, staff teams, children and young people they work with as safe as possible will continue. Infection controls will also be maintained along with facilities for self-testing.

Financial review

Going concern

Covid has had a significant impact on how the organisation activities are delivered. We are limited through registration numbers to have at least 2 staff in each base, but we also have to be able to cover illness, etc. We have attempted to mitigate this risk through our 'Cluster' arrangements so that 3 or 4 POMP bases operate and share staff. Worst case scenarios are to merge bases (temporary), close some or we may have to release staff.

Operating costs require close monitoring and quick response. By giving Cluster Managers greater responsibility to chase debt directly, the expectation is some issues about non-payment of fees will be mitigated.

Funding from grants is not expected to change much so the focus is on ensuring the organisation can operate, market and deliver services to young people efficiently at all levels.

After making appropriate enquiries, the Management have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Review of results and reserves policy

The results for the year show overall that an income of £922,446 (2020 - £1,023,642), of which £NIL related to restricted funds (2020 - £57,845), and that a surplus of £114,754 (2020 - deficit of £1,364), all of which related to unrestricted funds, has arisen. As a result of including the pension deficit liability to comply with the requirements of FRS102, the charity now has net assets of £60,210 (2020 – deficit of £54,270), all of which relates to unrestricted funds.

Recessionary pressures have continued to impact but are being managed effectively supporting the Association's stated position of maintaining financial sustainability in the longer term. Childcare fees have demonstrated remarkable resilience but are under pressure as the economy slowly recovers. Staff costs account for approximately 75% of total expenditure. Support provided by staff over the very difficult past year is much appreciated.

The Board of Management had established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the "free reserves") should be equivalent to at least 3 months payroll costs (currently £192,000) held in general funds. This has understandably not been achieved due to the inclusion of the pension deficit liability in the accounts. The Pension Liability is expected to continue until 2029 but the principle of free reserves continues as an operational target.

Cumbernauld YMCA

Board of Management's Report for the Year Ended 31 March 2021 (continued)

Investment's policy

The Board is mindful of its fiduciary duty to obtain the best possible financial return on any cash holdings consistent with exercising good practice in terms of social, environmental and ethical issues.

Structure, governance and management

Constitution

Cumbernauld YMCA is a separately constituted unincorporated association that is affiliated directly to the Scottish National Council of YMCA's. The Association was first constituted on 1 November 1960 and has its head office at Kildrum Farm, Afton Road, Kildrum, Cumbernauld, G67 2DN. The amended constitution has been written in a modern form and became effective on 21 April 2009. It was designed to facilitate incorporation as a Scottish Charitable Incorporated Organisation (SCIO). The enabling Regulations came into effect from April 2011 and Stage 1 SCIO approval is in place.

Methods of appointment or election of Board of Management

The management of the Charity is the responsibility of the board members who are elected and co-opted under the terms of the Trust deed.

Organisational structure

The Association is controlled by its Board of Management consisting of 3 Office Bearers and up to 12 members.

Policies adopted for the induction and training of Board of Management

The charity has reviewed its policies relating to induction and training to comply with guidelines and recommendations from the Office of the Scottish Charity Regulator. This has ensured that its policies are sufficient to meet the training needs of its directors and staff and that the charity continues to maintain the highest possible standards of service delivery. The primary elements of Board recruitment will be reviewed again in the light of planned restructuring relating to the Association's delayed incorporation intentions.

Pay policy for senior staff

The Association's salary scales were derived and extended from those used by the YMCA nationally back in 1980 and have been maintained locally ever since. Periodic checks are made against appropriate local authority scales to maintain a level of compatibility. They have been fully revised to incorporate the Scottish Living Wage.

The model is designed to recognise qualification levels required for post holders as well as progression leaving some scope for performance recognition. A guideline differential between front line staff and senior staff on maximum pay is maintained within a ratio of 1:5. The Scales to be implemented including any cost-of-living increase, have to be agreed annually with the Board of Management.

Risk management

The Board of Management have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. Forecasting systems have remained robust with a direct link into the main Sage accounting system enabling constant review of projections as circumstances change.

Covid-19 has represented a massive change in our operating environment over the year; this and other matters that did arise have been managed effectively.

Board of Management's Report for the Year Ended 31 March 2021 (continued)

Cumbernauld YMCA consider their key risks to be:

1. Maintaining financial sustainability especially in the light of volatility in childcare requirements in the short to medium term as employment returns to some normality. Mitigation – accessing support funds to secure the immediate position and where practical merge bases (temporarily) and offer flexibility to help meet new challenges.
2. Core grant funding from our local authority is now down 60% in the past 5 years and down again for the coming year. Mitigation – seek further grant opportunities but also market more effectively the added value our service provides.
3. Recruitment of senior staff now critical to the well-being of the Association. Mitigation – renewed advertising is necessary, but cash projections are extremely challenging with focus currently on Children's Services delaying prospect of a new Executive Director to later next year.
4. Finally achieving our SCIO Incorporation – Pension Liability situation now appears to be secure.
5. Recovery from Covid-19 pandemic and its impact on the charity and its services.

Plans for future periods

Future plans and potential for development are a prime focus to be ready for recruitment of a new Executive Director.

Further development of our support services to young people having difficulty with engagement in school and learning opportunities through our new "Include & Aspire" programme promoted initially as a successful joint venture with Bellshill & Mossend YMCA.

The planned development in our courtyard and with potential for a café and link to the Playzone will be worked on in summer 2022.

Statement of Board of Management's responsibilities

The Board of Management are responsible for preparing the Board of Management's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Board of Management 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Board of Management are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Board of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust deed. 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.

Board of Management's Report for the Year Ended 31 March 2021 (continued)

Disclosure of information to auditor

Each of the persons who are board members at the time when this Board of Management report is approved has confirmed that:

- so far as that board member is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that board member has taken all the steps that ought to have been taken as a board member in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The Trustees have appointed a new auditor for this year in line with the decision to conduct an audit tender process last year.

Approved by order of the members of the Board of board members and signed on their behalf by:

S. McCrae (Chair)
Date: 16 June 2022

Independent Auditor's Report to the Members of Cumbernauld YMCA

Opinion

We have audited the financial statements of Cumbernauld 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 related notes, including a summary of significant accounting policies. The financial reporting framework that has been adopted in their preparation is applicable law and UK Accounting Standards, including the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK GAAP).

In our opinion the financial statements:

- Give a true and fair view of the state of the charity'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 UK GAAP.
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

We conducted our audit in connection with the International Standards on Auditing (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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- The Board of Management's use of the going concern basis of accounting in the preparation of the financial statement is not appropriate; or
- The Board of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date of the signing of the financial statements.

Independent Auditor's Report to the Members of Cumbernauld YMCA (continued)

Other Information

The Board of Management are responsible for the other information comprising the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The information given in the Board of Management's report is inconsistent in any material respect with the financial statements; or
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Board of Management's responsibilities statement, the Board of Management are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Board of Management 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 Board of Management 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 Board of Management either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditor’s Report to the Members of Cumbernauld YMCA (continued)

Auditor’s responsibilities for the audit of the financial statements

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity’s trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity’s trustees those matters we are required to state to them in an Auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul McKendry FCCA
PM&Co Accounting Ltd
13 The Wynd
Cumbernauld Village
Cumbernauld
Glasgow
G67 2ST

Date ...16 June 2021.....

Cumbernauld YMCA

Statement of Financial Activities for the Year Ended 31 March 2021

			<u>Restricted Funds</u> <u>2021</u> £		<u>Unrestricted Funds</u> <u>2021</u> £		<u>Total Funds</u> <u>2021</u> £		<u>Total Funds</u> <u>2020</u> £
		Note							
Income from:									
Donations and legacies	4	-		1,756		1,756		6,799	
Charitable activities	5	-		920,690		920,690		1,016,843	
Other Income		-		-		-		-	
Total Income		-		<u>922,446</u>		<u>922,446</u>		<u>1,023,642</u>	
Expenditure on:									
Raising Funds		-		-		-		270	
Charitable Activities	6	-		<u>807,692</u>		<u>807,692</u>		<u>1,024,736</u>	
Total Expenditure				<u>807,692</u>		<u>807,692</u>		<u>1,025,006</u>	
Net movement in funds		-		<u>114,754</u>		<u>114,754</u>		<u>(1,364)</u>	
<u>Reconciliation of funds:</u>									
Total funds brought forward		-		(54,270)		(54,270)		(52,906)	
Net movement in funds above		-		<u>114,754</u>		<u>114,754</u>		<u>(1,364)</u>	
Total funds carried forward		-		<u>60,484</u>		<u>60,484</u>		<u>54,270</u>	

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes of pages 16 to 28 form part of these financial statements.

Cumbernauld YMCA

Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible Assets	10	<u>323,482</u> 323,482	<u>332,448</u> 332,448
Current Assets			
Debtors	11	33,749	22,268
Cash at bank and in hand	17	<u>117,566</u> 151,315	<u>24,467</u> 46,735
Creditors: amounts falling due within one year	12	<u>(107,778)</u>	<u>(84,913)</u>
Net Current Liabilities		<u>43,537</u>	<u>(38,178)</u>
Total Assets less current liabilities		<u>367,019</u>	<u>294,270</u>
Creditors: amounts falling due after more than one year		-	-
Net Assets excluding pension liability		367,019	294,270
Defined benefit pension scheme liability		(306,808)	(348,540)
Total net assets/(liabilities)		<u>60,211</u>	<u>(54,270)</u>
Charity funds:			
Restricted funds		-	-
Unrestricted funds		<u>60,211</u>	<u>(54,270)</u>
Total funds		<u>60,211</u>	<u>(54,270)</u>

The financial statements were approved by the Board of Management on
And signed on behalf by:

S McCrae

Chairman

D Michie

Honorary Treasurer

The notes on pages 16 to 28 form part of the financial statements.

Cumbernauld YMCA

Statement of Cash Flow for the Year Ended 31 March 2021

	Notes	2021	2020
Cash flows from operating activities			
Net cash used in operating activities	17	<u>134,831</u>	<u>5,519</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>-</u>	<u>(2,217)</u>
Net cash (used in)/ provided by investing activities		<u>-</u>	<u>(2,217)</u>
Cash flows from financing activities			
Repayments of borrowing		-	(8,894)
Increase/(decrease) in pension scheme liability		<u>(41,732)</u>	<u>60,029</u>
Net cash provided by/(used in) financing activities		<u>(41,732)</u>	<u>51,135</u>
Change in cash and cash equivalents in the year		93,099	54,437
Cash and cash equivalents at the beginning of the year		<u>24,467</u>	<u>(29,970)</u>
Cash and cash equivalents at the end of the year		<u>117,566</u>	<u>24,467</u>

The notes of pages 16 to 28 form part of the financial statements.

Notes to the financial statements for the Year Ended 31 March 2021

1. General information

The charity is a registered Scottish Charity (charity number SC014780). The registered office is Kildrum Farm, Afton Road, Cumbernauld, G67 2DN. The Board of Management are named on page 3 of these accounts.

2. Accounting policies

2.1 Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102)-accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 effective 01 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Cumbernauld YMCA meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Board of Management ordinarily review the company's forecasts and projections to ensure that the charity has sufficient resources to enable it to meet its liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements.

The Board of Management consider that there are no material uncertainties about the charity's ability to continue as a going concern. The charity has a healthy cash balance at the date of signing these financial statements, has had continued growth income throughout the Covid 19 pandemic to date, continued support from parents, access to government support and ability of the team to adapt and work remotely. Although the charity has decreased net assets due to the pension deficit, the cash impact of this can be managed and will not affect the long-term going concern of the charity. Both the cash balance and the net asset position have improved since last year end and the charity has ongoing support from their bank through an overdraft facility should it be required. Thus, the Board of Management are satisfied that the charity will have adequate resources to continue as a going concern for the foreseeable future.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured. Other income is recognised in the period it is receivable.

Notes to the Financial Statement for the Year Ended 31 March 2021 (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure of raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objective, as well as any associated support and governance costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of the tangible fixed assets less their residual value over the estimated useful lives.

Depreciation is provided on the following bases:

Heritable properties	2% straight line
Motor vehicles	25% reducing balance
Fixture and Fittings	15% reducing balance

At the date of the transition to FRS 102 the Board of Management decided to adopt the valuation of property, plant and equipment as deemed cost.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received in advanced payments for the goods and services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at a transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised costs using the effective interest method.

2.10 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligations outstanding in each period.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2.12 Pensions

The charity operates a defined benefits scheme and the last charge in the accounts was based on a full actuarial valuation dated 01 May 2020. There was no further valuation this year.

Cumbernauld YMCA participated in a multi-employer defined benefit pension plan for employees of YMCA's in England, Scotland and Wales, which was closed to new net members and accruals on 30 April 2017. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Cumbernauld YMCA for the purpose of FRS 102 disclosure.

As described in note 20 Cumbernauld YMCA has a contractual obligation to make provision deficit payments of £265,490 over the period to April 2029, accordingly this has been shown as a liability in these accounts. In addition, Cumbernauld YMCA is required to contribute around £7,000 p.a. to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

2.13 Fund accounting

General funds are unrestricted funds which are available for the use at the discretion of the Board of Management in furtherance of the general objectives of the Charity and which have been designated for other purposes.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Pension Liability:

The charity participates in a multi-employer defined benefits pension scheme. The determination of any pension scheme deficit is based on assumptions determined with independent actuarial advice.

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

4. Income from donations and legacies

	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Donations	<u>1,756</u>	<u>1,756</u>	<u>6,799</u>
<i>Total 2020</i>	<u>6,799</u>	<u>6,799</u>	

5. Income from charitable activities

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Provision of services to young people	-	<u>922,446</u>	<u>922,446</u>	<u>1,016,843</u>
<i>Total 2020</i>	<u>57,845</u>	<u>958,998</u>		<u>1,016,843</u>

Incoming resources from charitable activities comprise:

	2021 £	2020 £
Grants	463,171	89,736
Childcare fees	325,557	776,020
Accommodation services	131,961	147,782
Fees and membership income	-	<u>3,305</u>
	<u>920,689</u>	<u>1,016,843</u>

Included within income relating to grants are the following grants:

	2021 £	2020 £
North Lanarkshire Council grants	22,229	28,133
Keep Scotland Beautiful	7,141	57,845
Other Grants	<u>434,351</u>	<u>3,758</u>
	<u>463,721</u>	<u>89,736</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Provision of services to young people	-	<u>807,692</u>	<u>807,692</u>	<u>1,024,736</u>
<i>Total 2020</i>	<u>57,845</u>	<u>966,891</u>	<u>1,024,736</u>	

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

7. Analysis of expenditure by activities

	Activities Undertaken directly 2021 £	Support Costs 2021 £	Total Funds 2021 £	Total Funds 2020 £
Provision of services to young people	<u>591,661</u>	<u>216,031</u>	<u>807,692</u>	<u>1,024,736</u>
<i>Total 2020</i>	<u>785,910</u>	<u>238,826</u>	<u>1,024,736</u>	

Analysis of direct costs

	Provision of services to young people 2021 £	Total Funds 2021 £	Total Funds 2020 £
Staff costs	576,995	576,995	769,344
Insurance	7,670	7,670	1,790
Bad debts written	3,989	3,989	-
Gifts and donations	-	-	2,187
Training conferences	-	-	8,828
Bank and interest charges	3,007	3,007	3,484
Other general costs	-	-	277
	<u>591,661</u>	<u>591,661</u>	<u>785,910</u>
<i>Total 2019</i>	<u>785,910</u>	<u>785,910</u>	

Analysis of support costs

	Provision of services to young people 2021 £	Total Funds 2021 £	Total Funds 2020 £
Depreciation	8,966	8,966	11,368
Property and office costs	114,995	114,995	167,158
Transport and travel costs	9,339	9,339	27,723
Programme support costs	74,412	74,412	22,889
Governance costs	8,319	8,319	9,688
	<u>216,031</u>	<u>216,031</u>	<u>238,826</u>
<i>Total 2020</i>	<u>230,826</u>	<u>238,826</u>	

8. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £3,000 (2020 - £6,000).

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

9. Staff costs

	2021 £	2020 £
Wages and salaries	549,545	625,125
Social security costs	20,361	35,082
Contribution to defined contribution pension schemes	<u>48,821</u>	<u>109,137</u>
	<u>618,726</u>	<u>769,344</u>

Contribution to defined contribution pension schemes includes the adjustment to pension deficit funding £nil (2020 - £99,026) as a result of the triennial valuation having been updated.

The average number of persons (expressed as full time equivalent) employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Charitable Activities	25	25
Management and administration	5	5
	30	30

The average number of persons per headcount:

	2020 No.	2019 No.
Charitable Activities - Full Time	3	4
Charitable Activities - Part Time	38	39
Management and administration - Full Time	6	8
Management and administration - Part time	2	1
	49	52

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the Chief Executive Officer and the Executive Officers. Remuneration and benefits received by them during the year amounted to £55,684 (2019 - £25,539).

No Board of Management member received any remuneration (2020: nil)

No Board of Management member received any benefits in kind (2020: nil)

No Board of Management member received any reimbursement of expenses (2020: nil)

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

10. Tangible fixed assets

	Freehold Property £	Motor Vehicles £	Fixtures & Fittings £	Total £
Cost or valuation				
At 1 April 2020	350,000	72,523	227,303	649,826
Additions	-	-	-	-
At 31 March 2021	<u>350,000</u>	<u>72,523</u>	<u>227,303</u>	<u>649,826</u>
Depreciation				
At 1 April 2020	40,500	62,289	214,589	317,378
Charge for the year	4,500	2,559	1,907	8,966
At 31 March 2021	<u>45,000</u>	<u>64,848</u>	<u>216,496</u>	<u>326,344</u>
Net book value				
At 31 March 2021	<u>305,000</u>	<u>7,675</u>	<u>10,807</u>	<u>323,482</u>
At 31 March 2020	<u>309,500</u>	<u>10,234</u>	<u>12,714</u>	<u>332,448</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Motor Vehicles	4,290	6,197

Included in land and buildings is heritable land at valuation of £125,000 (2020 - £125,000), (cost £141,701 (2020 - £141,701)) which is not depreciated.

11. Debtors

	2021 £	2020 £
Due within one year:		
Trade debtors	10,236	22,014
Other debtors	<u>23,513</u>	<u>254</u>
	<u>33,749</u>	<u>22,268</u>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	20,557	12,931
Other taxation and social security	17,292	14,702
Obligations under finance lease and hire purchase contracts	-	770
Pension fund loan payable	2,219	3,612
Other creditors	63,310	46,898
Accruals and deferred income	<u>4,400</u>	<u>6,000</u>
	<u>107,778</u>	<u>84,913</u>

Included in other creditors are fees received in advance of £63,994 (2020 - £43,926).

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

13. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Net obligations under finance lease and hire purchase contracts	-	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2021	2020
	£	£
Between one and five years	-	-

14. Statement of funds

Statement of funds - current year

	Bal at 1 April 2020	Income	Expenditure	Tfrs In/Out	Bal at 31 March 2021
	£	£	£	£	£
Unrestricted funds					
General reserve	204,739	922,446	(807,692)	-	319,493
Revaluation reserve	89,531	-	-	-	89,531
Pension reserve	<u>(348,540)</u>	-	-	-	<u>(348,540)</u>
	<u>(54,270)</u>	<u>922,446</u>	<u>(807,692)</u>	-	<u>60,484</u>
Restricted funds					
Keep Scotland Beautiful	-	-	-	-	-
Total of funds	<u>(54,270)</u>	<u>922,446</u>	<u>(807,692)</u>	-	<u>60,484</u>

Restricted funds

Restricted funds are funds received in respect of the climate change project. They are restricted in respect of the criteria set down by the awarding organisation.

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

14.Statement of funds (continued)

Statement of funds - prior year

	Bal at 1 April 2019 £	Income £	Expenditure £	Tfrs In/Out £	Bal at 31 March 2020 £
Unrestricted funds					
General reserve	143,690	965,797	(907,132)	2,384	204,739
Revaluation reserve	91,915	-	-	(2,384)	89,531
Pension reserve	<u>(288,511)</u>	-	<u>(60,029)</u>	-	<u>(348,540)</u>
	<u>(52,906)</u>	<u>965,797</u>	<u>(967,161)</u>	-	<u>(54,270)</u>
Restricted funds					
Keep Scotland Beautiful -	-	<u>57,845</u>	<u>(57,845)</u>	-	-
Total of funds	<u>(52,906)</u>	<u>1,023,642</u>	<u>(1,025,006)</u>	-	<u>(54,270)</u>

14.Summary of funds

Summary of funds - current year

	Bal at 1 April 2020 £	Income £	Expenditure £	Trfs In/Out £	Bal at 31 March 2021 £
General funds	(54,270)	922,446	(807,692)	-	60,484
Restricted funds	-	-	-	-	-
	<u>(54,270)</u>	<u>922,446</u>	<u>(807,692)</u>	-	<u>60,484</u>

Summary of funds - prior year

	Bal at 1 April 2019 £	Income £	Expenditure £	Tfrs In/Out £	Bal at 31 March 2020 £
General funds	(52,906)	965,797	(967,161)	-	(54,270)
Restricted funds	-	<u>57,845</u>	<u>(57,845)</u>	-	-
	<u>(52,906)</u>	<u>1,023,642</u>	<u>(1,025,006)</u>	-	<u>(54,270)</u>

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	323,482	323,482
Current assets	151,315	151,315
Creditors due within one year	(107,778)	(107,778)
Provisions for liabilities and charges	<u>(306,808)</u>	<u>(306,808)</u>
Total	<u>60,211</u>	<u>60,211</u>

Analysis of net assets between funds - prior period

	Unrestricted Funds £	Total Funds £
Tangible fixed assets	332,599	332,599
Current assets	46,735	46,735
Creditors due within one year	(84,913)	(84,913)
Provisions for liabilities and charges	<u>(348,540)</u>	<u>(348,540)</u>
Total	<u>(54,270)</u>	<u>(54,270)</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the period (as per Statement of Financial Activities)	114,753	(1,364)
Adjustments for:		
Depreciation charges	8,966	11,368
(Increase)/Decrease in debtors	(11,481)	2,781
Increase/(Decrease) in creditors	<u>22,593</u>	<u>(7,266)</u>
Net cash provided by operating activities	<u>134,831</u>	<u>5,519</u>

17. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	117,566	24,467
Overdraft facility repayable on demand	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>117,566</u>	<u>24,467</u>

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

18. Pension commitments

Cumbernauld YMCA participated 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 Cumbernauld 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).

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 the 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% p.a.), 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 a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £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. Cumbernauld YMCA has been advised that it will need to make monthly contributions of £2,649 (plus expenses) from 1 May 2020. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 9 years commencing 1st May 2020.

Repayable:

	Within one year £	After more than one year £	Total £
As at 31 March 2021	38,727	268,081	306,808
As at 31 March 2020	38,727	309,813	348,540

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

Cumbernauld YMCA

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

Contingent liabilities

Following a change in legislation in September 2005, there is a potential debt on the employer that could be levied by the Trustee of the Pension Plan. The debt is due in the event of the employer ceasing to participate in the Pension Plan or the Pension Plan winding up. The debt for the Pension Plan as a whole is calculated by comparing the liabilities for the Pension Plan (calculated on a buy-out basis). If the liabilities exceed assets there is a buy-out debt. Cumbernauld YMCA does not intend to withdraw from the Pension Plan and the Trustee has confirmed that there is no intention to wind up the Pension Plan. The debt on withdrawal is estimated at £674,696 at 1 May 2020.

21. Operating lease commitments

At 31 March 2020 the Charity had commitments to make future minimum lease payments under noncancellable operating leases as follows:

	2020 £	2019 £
Amounts payable:		
Within 1 year	1,436	1,516
Between 1 and 5 years	4,001	5,186
	<u>5,437</u>	<u>6,702</u>

19. Related party transactions

An honorarium was paid to the honorary treasurer of £500 (2020: £500). An honorarium including direct expenses was paid to the chairman of £3,000 (2020: £3,000).

20. Post balance sheet events

Since March 2020 and continuing until the date of signing of these financial statements and beyond, the UK and the world has faced unprecedented uncertainty and disruption as a result of COVID-19. The board has considered the effects of this pandemic on the operations and any going concern implications for the business post year-end with full details noted in section 2.2 in accounting policies.