

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION

HOUSING ASSOCIATION
(A company limited by guarantee)

FINANCIAL STATEMENTS AND DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2003

COMPANY NUMBER 2449636

REGISTERED CHARITY NUMBER 803226



CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

CONTENTS

PAGE

REPORT OF THE BOARD OF MANAGEMENT

1 – 2

REPORT OF THE AUDITORS

3

INCOME AND EXPENDITURE ACCOUNT

4

BALANCE SHEET

5

NOTES TO THE ACCOUNTS

6 – 11

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their annual report and the audited financial statements of the Association for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company trades under the name of City of Exeter YMCA Housing Association. The principal activity of the Association during the year was the operation of a hostel at St David's Hill, Exeter which is a leasehold property. The Association also operates 8 move-on flats at King Street, Exeter which is a leasehold property.

BOARD OF MANAGEMENT AND THEIR INTERESTS

The company is limited by guarantee with no share capital. Each member's liability is a contribution of £1.

The Board of Management of the Association during the year ended 31 March 2003 was:

P Brooks	Resigned
R Carne	(Chairman)
W Elphinston	Resigned
P Davis	
S Harrison	Resigned
P Kirkman	Resigned
A McGill	
Rev. V Vine	(Treasurer)
C Browning	
J Hunt	
S Taylor	Resigned
V Cherrett	Appointed
B Lofts	Appointed
R Husband	YMCA England Representation

STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES

Charity law requires Board of Management to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity at the end of each financial year and of its surplus or deficit for that period. In preparing these accounts, the Board of Management are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts on a going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2003

CONTINUED

The Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable the financial statements to comply with the Industrial and Provident Societies Act 1965 to 1978 and the Housing Act 1996. 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.

REVIEW OF THE YEAR

We are very pleased to report on another successful financial performance. Income increased during the year due to transitional housing benefit applying for the full year. On average we have been able to obtain this benefit on 29 residents each week. Voids represent less than 1% of our rent and service charges. Bad debts have increased but are still only 4% of rent and service charges. These are very low compared with other similar organisations and, we believe, they result from the support that is provided to our residents.

As set out last year, operating costs have increased as, due to the transitional housing benefit, we have been able to increase the number of staff employed. The additional income is used in accordance with its purpose of supporting people. Due to careful management of other costs, the surplus on ordinary activities for the year increased to £25,972. It is important that surpluses arise as they are required to meet the loan repayments.

Again we are in real need of 'move-on' accommodation for residents who have been resident at St Davids Hill for approaching two years. We would like to acquire further accommodation for this purpose and have transferred £32,000 to a development reserve this year. If possible we will add to this in future years as we work towards creating a deposit which will enable us to fund the acquisition of suitable premises.


The bank balance increased to £69,530 at the end of the year. Most of this is set aside to cover future property costs and the development reserve.

Overall, the year has been a financial success and we hope that it will provide a basis for us to be able to develop our services to young people in the City of Exeter.

AUDITORS

In accordance with section 385 of the Companies Act 1985 a resolution for the re-appointment of Thomas Westcott Gillard Heal, as auditors of the Association, will be proposed at the Annual General Meeting.

By order of the Board


M Brooking
Chief Executive
39-41 St David's Hill
EXETER
Devon
EX4 4DA

Dated 23.2 June 2003.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CITY OF EXETER
YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION**

We have audited the financial statements of the City of Exeter Young Men's Christian Association Trust for the year ended 31 March 2003, which comprise Statement of Financial Activities, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF THE BOARD OF MANAGEMENT AND AUDITORS

As described in the statement of the Board of Management's responsibilities you are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view. 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 transactions with members of the Board is 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 within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 estimates and judgements made by the Trustees in the preparation of the accounts, 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 us with sufficient evidence to give reasonable assurance as to whether the accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the Charity's state of affairs as at 31 March 2003 and of its incoming resources and application of resources in the year then ended.

Dated:

19 Augor 2003

Thomas Westcott Gillard Heal

THOMAS WESTCOTT GILLARD HEAL
Chartered Accountants
Registered Auditors
9 Southernhay West
EXETER
Devon
EX1 1JG

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover		268,108	220,990
Less: Operating Costs		(231,991)	(177,875)
Operating Surplus		<u>36,117</u>	<u>43,115</u>
Interest Receivable and Other Income		9,639	8,578
Interest Payable and Similar Charges		(19,784)	(39,188)
Surplus on ordinary activities for the year		<u>25,972</u>	<u>12,505</u>
Transfer from/(to) designated reserves		(33,923)	(296)
		<u>(7,951)</u>	<u>12,209</u>
Revenue reserve brought forward		117,723	105,514
Revenue reserve carried forward		<u>109,772</u>	<u>117,723</u>

There are no recognised gains or losses other than the deficit for the year.

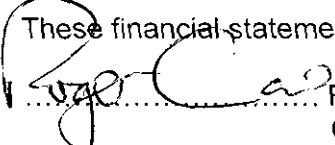
All activities of the Association are continuing.

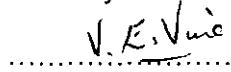
CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

BALANCE SHEET AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed Assets					
Housing Properties	10	1,363,673		1,369,346	
Social Housing Grant		(996,657)		(996,657)	
Other Fixed Assets	11		367,016		372,689
			11,589		11,770
			<u>378,605</u>		<u>384,459</u>
Current Assets					
Debtors	12	17,032		18,642	
Cash at Bank and in Hand		69,530		44,493	
		<u>86,562</u>		<u>63,135</u>	
Creditors: amounts falling due within one year	13	(12,836)		(12,024)	
			<u>73,726</u>		<u>51,111</u>
Total Assets less current liabilities			<u>452,331</u>		<u>435,570</u>
Creditors: amounts falling due after more than one year	14		(274,540)		(283,751)
			<u>177,791</u>		<u>151,819</u>
Capital and Reserves					
Designated Reserves	15		68,019		34,096
Revenue Reserve	15		109,772		117,723
			<u>177,791</u>		<u>151,819</u>

These financial statements were approved by the Board of Management and signed on their behalf by

 R Carne
 Chairman

 V K Vine
 Treasurer

The notes on pages 6 to 10 form part of these financial statements.

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1. Accounting Policies

Accounting Convention.

The Financial Statements have been prepared under the historical cost convention, and in accordance with the Industrial and Provident Societies Act 1965 to 1978, the Housing Act 1996 and comply with The Accounting Requirements for Registered Social Landlords General Determination 2000 and the Statement of Recommended Practice (SORP) for Accounting by Registered Social Landlords issued in March 1999.

Turnover.

Turnover represents rental income receivable, fees and grants from local authorities and The Housing Corporation.

Pension Costs.

Pension costs for the defined contribution scheme are charged against income as they fall due.

Housing Properties.

In accordance with FRS.15, depreciation is charged so as to write down the cost (net of social housing grant) of housing and commercial properties on a straight line basis over their expected useful economic life at the following rates.

Leasehold Properties – St David's Hill over 60 years from 1 April 1999
King Street over 75 years from 1 April 1999

Impairment.

In accordance with FRS15, all tangible fixed assets with estimated useful lives of more than 50 years are required to be reviewed annually for impairment. The Trustees have considered the assets in terms of impairment for the year end and no adjustment to the accounts was considered necessary.

Social Housing Grant.

Where developments have been financed wholly or partly by social housing grants, the cost of these developments has been reduced by the amount of grant received. These grants are repayable in certain circumstances, primarily following the sale of the property.

Capitalisation of Interest.

Interest on the mortgage loan financing a development is capitalised up to the date of practical completion of the scheme.

Depreciation.

Depreciation is provided by the Association to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Computer Equipment – 3 years straight line
Fixtures and Fittings – 25% per annum reducing balance

Restricted Reserves.

The Association's funds consist of unrestricted and restricted amounts. The Association may use unrestricted amounts at its discretion and has designated certain sums to building, motor vehicle and furniture reserves in anticipation of future expenditure. Restricted funds represent the Supported Housing Management Grant which is received towards the running costs of the accommodation units.

Cash Flow Statement.

Under Financial Reporting Standard 1 the Association is exempt from the requirement to prepare a cash flow statement by virtue of its size.

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

2. Remuneration

The remuneration paid to the Chief Executive of the Association was:-

	2003 £	2002 £
Emoluments (excluding pension contributions)	27,295	24,819
Pension Contributions	1,492	1,442
	<hr/> 28,787	<hr/> 26,261

3. Staff Costs

The aggregate payroll costs of all employees was:

	2003 £	2002 £
Wages and Salaries	117,799	91,781
Social Security Costs	9,454	7,311
Other Pension Costs	3,023	2,422
	<hr/> 130,275	<hr/> 101,514

The average number of employees (including the secretary) during the year was:

8	7
---	---

4. Interest Payable and Similar Charges

	2003 £	2002 £
Other Loans	19,784	39,188

5. Taxation

The Association has charitable status and so the surpluses arising on its accounts, to the extent that they are applied for charitable purposes, are exempt from corporation tax.

6. Auditors Remuneration

The remuneration of the auditors for the year is £ 1,410 (2002 £1,351).

7. Rental Income

	2003 £	2002 £
Rent Receivable	86,375	84,772
Service Charges	27,522	27,012
Transitional Housing Benefit	62,575	25,690
Social Housing Management Grant	87,012	84,888
Rent Losses arising from Voids	(936)	(2,664)
Rent Losses arising from Bad Debts	(4,745)	(4,304)
	<hr/> 257,803	<hr/> 215,394

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

8. Accommodation in management

The number of accommodation units under management during the year were:

	2003 £	2002 £
General Needs Housing	-	-
Supported Housing	39	39

With effect from 1 October 2001, the accommodation units at King Street were eligible for supported housing funding. Therefore, at the year end, all units are deemed to be supported housing.

9. Payments to Creditors

The average number of days between receipt and payment of purchase invoices was 7 days.

10. Fixed Assets – Housing Properties

	Hostel <u>Leasehold</u> £	King Street <u>Leasehold</u> £	<u>Total</u> £
<u>Cost</u>			
At 1 April 2002 and 31 March 2003	1,139,785	246,580	1,386,365
<u>Depreciation</u>			
At 1 April 2002	7,155	9,864	17,019
Charge for the Year	2,385	3,288	5,673
At 31 March 2003	9,540	13,152	22,692
<u>Social Housing Grant</u>			
At 1 April 2002 and 31 March 2003	996,657	-	996,657
<u>Net Book Value</u>			
At 31 March 2003	133,588	233,428	367,016
At 31 March 2002	135,973	236,716	372,689

Housing Properties include cumulative capitalised interest of £74,293 (2002: £74,293)

Both properties are held on long leaseholds.

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

11. Fixed Assets – Other

	<u>Furniture and Fittings</u> £	<u>Computer Equipment</u> £	<u>TOTAL</u> £
<u>Cost</u>			
At 1 April 2002	43,634	7,211	50,845
Additions		3,040	5,200
At 31 March 2003	<u>43,634</u>	<u>10,251</u>	<u>53,885</u>
<u>Depreciation</u>			
At 1 April 2002	32,055	7,020	39,075
Charge for the Year	2,896	325	3,221
At 31 March 2003	<u>34,951</u>	<u>7,345</u>	<u>42,296</u>
<u>Net Book Value</u>			
At 31 March 2003	8,683	2,906	11,589
At 31 March 2002	<u>11,579</u>	<u>191</u>	<u>11,770</u>

12. Debtors

	2003 £	2002 £
Rent Arrears	11,051	15,613
Prepayments and Accrued Income	5,981	3,029
	<u>17,032</u>	<u>18,642</u>

13. Creditors: amounts falling due within one year

	2003 £	2002 £
Housing Loan	9,200	8,685
Rent Deposits	979	871
Accruals and Deferred Income	2,657	2,468
	<u>12,836</u>	<u>12,024</u>

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

14. Creditors: amounts falling due after more than one year

	Interest Rate %	2003 £	2002 £
Housing Corporation Loan	8.375	158,622	158,822
Bank of Scotland	1% over base	41,712	44,542
Bank of Scotland	5% fixed	83,406	89,072
		<hr/>	<hr/>
		283,740	292,436
Less: Amounts Falling due within one year		9,200	8,685
		<hr/>	<hr/>
		274,540	283,751
		<hr/>	<hr/>
Analysis of aggregate debt:			
Within 1 year		9,200	8,685
Between 2 and 5 years		36,800	35,250
After more than 5 years		237,740	248,501
		<hr/>	<hr/>
		283,740	292,436
		<hr/>	<hr/>

The Housing Corporation loan is secured by a fixed charge on the property to which it relates and is repayable by instalments.

The Bank of Scotland loans are secured by a fixed charge over the leasehold premises at King Street, Exeter, being repayable by instalments.

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

15. Unrestricted Reserves

	General Reserve £	Development Reserve £	Designated Reserves Resident Reserve £	Mini bus Reserve £	Building Reserve £	Furniture Reserve £	TOTAL £
At 1 April 2002	117,723				31,918	2,178	151,819
Income	188,577		1,658	500			190,735
Expenditure	(99,003)						(99,003)
Transfers Between Reserves	(31,765)	32,000			309	(544)	-
Transfer (to)/from restricted reserves	(65,760)						(65,760)
At 31 March 2003	109,772	32,000	1,658	500	32,227	1,634	177,791

16. Restricted Reserves

	Supported Housing Management Grant £	TOTAL £
Income		
Expenditure	87,012	87,012
Transfer from unrestricted reserves	(152,772)	(152,772)
	65,760	65,760
At 31 March 2003	-	-

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Unrestricted Funds 2003 £	Restricted Fund 2003 £	Total 2003 £	Total 2002 £
Income				
Hostel Rent	140,591	-	140,591	106,575
King Street Rent	35,881	-	35,881	30,899
Supported Housing Management Grant	-	87,012	87,012	84,888
Resident Support Income	18	-	18	-
Feasibility Assessor Income	3,050	-	3,050	-
EHS Management Income	572	-	572	1,292
Devon & Cornwall HA	1,920	-	1,920	-
	<hr/> 182,032	<hr/> 87,012	<hr/> 269,044	<hr/> 223,654
Less Rent Voids	936	-	936	2,664
	<hr/> 181,096	<hr/> 87,012	<hr/> 268,108	<hr/> 220,990
Operating Costs				
Management Salaries	-	127,314	127,314	93,384
Feasibility Assessor Salaries	-	1,468	1,468	-
Trust Contract	18,049	-	18,049	-
Recruitment and Training	3,133	-	3,133	4,076
Travelling Costs	497	-	497	609
Office Expenses	7,153	-	7,153	5,798
Telephone and Postage	1,864	-	1,864	1,698
Leasing Charges	5	-	5	5
Residents Payphone	855	-	855	978
Hostel Insurance	4,444	-	4,444	3,062
Hostel Maintenance	-	14,561	14,561	16,856
King Street Maintenance and Insurance	8,186	-	8,186	5,720
Rates	5,897	-	5,897	6,607
Electricity and Gas	7,415	-	7,415	6,848
Laundry Costs	670	-	670	762
Cleaning and Gardening Staff Wages	-	9,429	9,429	8,130
Cleaning and Refuse Costs	1,119	-	1,199	1,384
Residents Activities Costs	500	-	500	200
Affiliation Fees	2,132	-	2,132	2,084
Audit and Accountancy Fees	1,410	-	1,410	1,322
Hospitality Costs	759	-	759	698
Residents Support Costs	501	-	501	440
Sundry Expenses	911	-	911	749
Bad Debts	4,745	-	4,745	4,304
Depreciation	8,894	-	8,894	11,215
Professional Fees	-	-	-	946
	<hr/> 79,219	<hr/> 152,772	<hr/> 231,991	<hr/> 177,875
Operating Surplus/(Deficit) Carried Forward	101,877	(65,760)	36,117	43,115

CITY OF EXETER YOUNG MEN'S CHRISTIAN ASSOCIATION HOUSING ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Unrestricted Funds 2003 £	Restricted Funds 2003 £	Total 2003 £	Total 2002 £
Operating Surplus/(Deficit) Brought Forward	101,877	(65,760)	36,117	43,115
<u>Interest Receivable and Other Income</u>				
Payphone Income	826	-	826	739
Residents Contribution to Repair Costs	220	-	220	313
Residents Meters Income	1,834	-	1,834	1,715
Laundry Tokens	1,075	-	1,075	1,854
Photocopying Income	762	-	762	735
Sundry Income	651	-	651	746
Bank Interest Received	2,113	-	2,113	2,476
Resident Reserve	1,658	-	1,658	-
Minibus Reserve	500	-	500	-
	<u>9,639</u>	<u>-</u>	<u>9,639</u>	<u>8,578</u>
<u>Interest Payable and Similar Charges</u>				
Hostel Mortgage Interest	13,297	-	13,297	13,313
King Street Mortgage Interest	6,487	-	6,487	13,902
King Street Mortgage Charges	-	-	-	11,973
	<u>19,784</u>	<u>-</u>	<u>19,784</u>	<u>39,188</u>
Net Income for the Year Before Transfers	91,732	(65,760)	25,972	12,505
Transfer from Furniture Reserve	544	-	544	724
Transfer to Development Reserve	(32,000)	-	(32,000)	-
Transfer to Building Reserve	(309)	-	(309)	(1,020)
Transfer from Unrestricted Funds	(65,760)	65,760	-	-
Transfer to Resident Reserve	(1,658)	-	(1,658)	-
Transfer to Minibus Reserve	(500)	-	(500)	-
Retained Net (Deficit)/Surplus for the Year	<u>(7,951)</u>	<u>-</u>	<u>(7,951)</u>	<u>12,209</u>