The YMCA Pension and Assurance Plan

(Scheme Registration No: 101275754)

ANNUAL REPORT

YEAR ENDED 30 APRIL 2016

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ANNUAL REPORT
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CHAIRPERSON'S FOREWORD

The foreword to this Annual Report is not part of the formal statements but highlights some of the issues which the Trustee has had to address in the year.

You will recall from my report in 2014 that the Trustee had undertaken a major review of the investment strategy in 2013. It is now just over three years since that was put in place and although a challenging time we have seen the benefits of taking a more dynamic de-risking approach to try and ensure that assets match liabilities going forward. The strategy should see an overall improvement in the funding level of the Plan and leaving it well placed to weather the current economic and political climate.

Under the Trustee's investment objectives the primary objective is to act in the best interests of all members to deliver securely to members the benefits set out in the Trust Deed & Rules. As a result the Trustee has an aim to reach a position such that the assets would be sufficient to meet the liabilities without recourse to ongoing contributions.

The Trustee continues to monitor the credit rating/failure score of every participating employer in the Plan as it is aware of how deterioration in a participating employer's failure score can impact on the Pension Protection Fund levy, and ultimately on the risks to other participating employers. A new more vigorous monitoring is about to be rolled out that will not just analyse past performance but future cashflow. Participating Employers need to carefully consider their credit rating and what steps they can take to improve it. The Trustee, through the Company Secretary, takes proactive steps to contact such participating employers asking them to address this issue. Sadly Herrington Burn YMCA called in the administrators and we are liaising closely with them to mitigate any orphan liabilities.

Experian undertake this credit rating exercise on behalf of the Pension Protection Fund (PPF) and primarily focus on a participating employer's annual report and accounts. We continue to monitor the situation closely.

Regarding the dispute between the Pension Trustee and Huddersfield YMCA, attempts have been made to bring this matter to a conclusion, however this has been unsuccessful and the Pension Trustee is considering appropriate action. The dispute with Hastings YMCA has so far yet to reach a resolution.

With the demise of the National Council of YMCAs of Wales, the Trustee has undertaken a governance review and as a result changes to the Articles of the Trustee Company will be laid before the members for approval. These changes primarily deal with the composition of the directors.

Finally I would like to thank the staff, advisors and my fellow directors all of whom employ their skills and energy to ensure that the plan is run for the benefit of members as efficiently as possible.

Helen E Jones
Chairperson

6th December 2016

The YMCA Pension and Assurance Plan

TRUSTEE'S REPORT
YEAR ENDED 30 APRIL 2016

INTRODUCTION

The Plan is a defined benefit scheme which was established under a Trust Deed dated 29 April 1960 and is currently governed by a Fifth Definitive Deed dated 12 July 2012.

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Plan became a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 with effect from 6 April 2006.

The Plan closed to new entrants and future accrual of service on 1 May 2007. From that date members ceased to make contributions.

BENEFITS OF THE PLAN

The Plan provides defined pension and lump sum benefits for members on their retirement.

TRUSTEE AND ADVISERS

Trustee:	The YMCA Pension Plan Trustee Limited
Bankers:	Barclays Bank Plc, 1 Churchill Place, London
Auditor:	BDO LLP, Guildford
Actuary:	C Price FIA, Xafinity Consulting
Administrators:	Xafinity Consulting
Legal advisers:	Hogan Lovells International LLP
Investment Managers and Custodians:	1. Mercers 2. Schroders Investment Management Limited
Investment Consultants:	Mercer Investment Consulting
AVC providers:	Prudential and Scottish Widows

SPONSORING EMPLOYER

The sponsoring employer is the National Council of Young Men's Christian Associations (Incorporated), registered in London no. 73749, of 10-11 Charterhouse Square, London EC1M 6EH (known as "YMCA England").

MEMBERSHIP

Details of the membership of the Plan at the end of the year are given below:-

	2016	2015
Deferred Members	965	1,013
Pensioners	663	630
	1,628	1,643

CONTRIBUTIONS

Contributions must be received by the Plan by the 19th day of the month to which they relate. The Trustee is obliged to report any failures in meeting the deadline to the Pensions Regulator unless the late payment is an isolated case and has been put right with action taken to prevent late payments occurring again. The Trustee is required to report to members where Participating Employers have not paid contributions within 60 days of the due date. Details of those Participating Employers failing these deadlines may be found in note 14.

As reported in note 14, on 170 occasions during the year (2014/15: 114) Participating Employers missed the deadline of nineteenth of the month. The Trustee has been in regular contact with all Participating Employers who have missed a payment deadline and is working closely with them in order to resolve differing reasons for payment delay.

PENSION INCREASES

Pensions in payment increased between 0% and 5% during the year in line with the Trust Deed and Rules. There were no discretionary increases.

FINANCIAL DEVELOPMENT OF THE PLAN

The financial statements have been prepared, and audited, in accordance with regulations made under Sections 41(1) and (6) of the Pensions Act 1995. The financial statements on pages 9 to 21 show the net assets of the plan increased from £115.8m to £118.1m during the year. As required by the new Statement of Recommended Practice "Financial Reports of Pension Schemes", where the Pension Plan holds insurance policies with insurance companies that secure the pensions payable to certain beneficiaries and these policies remain assets of the YMCA Pension and Assurance Plan, they are required to be shown in the Statement of Net Assets at the valuation calculated by the actuary based on the value of the liabilities which are secured by these policies. The net assets of the Pension Plan at 30 April 2015 recorded in the financial statements have therefore been increased by £11m.

MANAGEMENT

In accordance with the Pensions Acts 1995 and 2004, and the appointment of member-nominated directors (MNDs) the Trustee wrote to members seeking nominations for MNDs. Elections were also held for a Director elected by the participating employers.

Those Directors serving during the year and at the date of signing the accounts were:

A Botterill – co-opted
R Clark - appointed by YMCA Scotland (appointed June 2015)
K Fletcher – appointed by YMCA England
G Hobbs – Member Nominated Director
R Ingamells - Member Nominated Director (appointed June 2015)
A Jenkins – appointed by YMCA Wales (resigned July 2016)
H Jones – co-opted (Chair)
S Leamy – Member Nominated Director (retired November 2015)
A Linsey - elected by participating employers
C Mc-Aulay - Member Nominated Director (elected December 2015)
J Reilly - appointed by YMCA Scotland (resigned June 2015)
A Rice - Member Nominated Director
J Rockliff – appointed by YMCA England
M Smith – co-opted (resigned September 2015)
N Wyld – co-opted (appointed September 2015)

Company Secretary - P Smillie

The provisions for appointing and removing directors are contained in the Memorandum and Articles of the Company.

The Directors of the company met four times during 2015/16 (four times during 2014/15).

INVESTMENTS

The Trustee's investment powers are set out in the Plan's Trust Deed and Rules and relevant legislation.

The Trustee has reviewed and updated a 'Statement of Investment Principles' on a regular basis, as required under Section 35 of the Pensions Act 1995. The main purpose of the Statement is to set out details of the investment strategy being followed, the Trustee's investment objectives, its attitude to risk, and its policy for meeting the Funding Requirements imposed by the Pensions Acts 1995 and 2004. A copy of the Statement is available on the web site www.pensions.ymca.org.uk/information-for-members-of-the-plan. All investments are in accordance with the Occupational Pension Schemes (Investment) Regulations 1996.

Employer's contributions are invested in pooled investment vehicles in accordance with investment arrangements detailed in the Investment Implementation Policy Document ("IIPD") which is also available to Plan members on the web site. To this end the Trustee has appointed Investment Managers registered in the United Kingdom who are required to comply with the 'Statement of Investment Principles' and "IIPD".

All the investments apart from those held by Schroders, have been held in the Mercer dynamic de-risking platform. The Plan also invests in property funds managed by Schroder Investment Managers. These funds were held in the form of insurance policies and are held in the Plan's name.

Reports are provided by Mercer Consulting on the performance of the investment managers at every Directors' meeting. Where appropriate, follow up discussions are held with the respective investment managers. Overall investment performance in the year out-performed the total plan benchmark. The total investment return was 2.3%.

Annuity policies were valued at £10.3m as at April 2016 (2015: £11m).

Socially responsible investments

The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material impact on investment returns. The Trustee has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Plan's investments.

Rights attaching to investments

Similarly, the Plan's voting rights are exercised by each of the underlying investment managers in accordance with its own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

TRANSFER VALUES

Transfer values are calculated, verified and paid in the manner required by the regulations made under section 97 of the Pension Schemes Act 1993. None of the transfer values paid are less than the amount provided by the Regulations. No discretionary benefits are included in the calculation of transfer values.

PENSIONS REGULATOR

The Pensions Regulator has the ability to:

- issue improvement notices and third party notices, allowing the Regulator to ensure problems are put right;
- freeze a scheme at risk, while the Regulator investigates;
- disqualify trustees who are judged not fit and proper to carry out their duties; and
- to collect more detailed scheme information.

The Pensions Regulator can be contacted at:

Napier House
Trafalgar Place
Brighton BN1 4DW (Tel: 0845 600 0707)

TRUSTEE'S REPORT
YEAR ENDED 30 APRIL 2016

PENSIONS TRACING SERVICE

The pension tracing function is carried out by Department for Work and Pensions (DWP) Pension Tracing Service. The DWP's Pension Tracing Service can be contacted at:

Pension Tracing Service
The Pension Service
Mail handling site A
Wolverhampton
WV98 1LU (Tel: 0845 600 2537)

THE PENSIONS ADVISORY SERVICE ("TPAS")

This is an independent voluntary organisation with local advisers who are expert in pension matters. It was established to provide free advice to Plan members and their dependants who have problems concerning pension rights. In the first instance members are asked to address their queries to the Trustee. If they are not satisfied by the information or explanation given by the Trustee they should contact TPAS. TPAS can be contacted at:

TPAS
11 Belgrave Road
London SW1V 1RB (Tel: 0845 601 2923)

PENSIONS OMBUDSMAN

The Pensions Ombudsman investigates complaints of injustice caused by maladministration and disputes of fact or law with the Trustee, managers or employers. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB (Tel: 020 7630 2200)

FURTHER INFORMATION

Any enquiries about the Plan should be sent to:

YMCA Pension & Assurance Plan Administrator
National Council of Young Men's Christian Associations
3rd Floor, 10-11 Charterhouse Square,
London, EC1M 6EH

E-mail: pensions@england.ymca.org.uk

Signed for and on behalf of the Trustee on 6th December 2016 by:

…………………………………………… ……………………………………...
H JONES – Chair G HOBBS - Director

The YMCA Pension and Assurance Plan

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and

- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes'.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any accounting estimates and judgements on a prudent and reasonable basis.

The Trustee is also responsible for making available certain other information about the Plan in the form of an Annual Report.

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible for the maintenance and integrity of the corporate and financial information included on the Plan's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE YMCA PENSION AND ASSURANCE PLAN

We have audited the financial statements of The YMCA Pension and Assurance Plan for the year ended 30 April 2016 which comprise the fund account, the statement of net assets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Plan's Trustee in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's Trustee 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 Trustee for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 7, the Plan's Trustee is responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 30 April 2016, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

BDO LLP
Statutory auditor
Guildford
United Kingdom

Date: 22 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

The YMCA Pension and Assurance Plan

FUND ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 (as restated) £
Contributions and benefits			
Contributions	3.1	**3,271,964**	3,358,071
Participating Employers' Full Buy Out payments	3.2	**1,194,573**	3,379,385
		4,466,537	6,737,456
Benefits	4	**4,197,534**	3,977,482
Payments to and on account of leavers	5	**424,763**	135,218
Administration expenses	6	**451,364**	472,580
		5,073,661	4,585,280
Net (withdrawal) additions from dealings with Employers and Members		**(607,124)**	2,152,176
Returns on investments			
Investment income and interest receivable	7	**992,451**	999,369
Investment management charges		**(7,555)**	(46,220)
Investment fee rebate		**331,679**	278,203
Change in market value of investments	8.1	**1,562,124**	17,866,595
Net Returns on Investments		**2,878,699**	19,097,947
Net increase in the Fund during the year		**2,271,575**	21,250,123
Net assets of the Plan brought forward		**115,804,517**	94,554,394
Net assets of the Plan carried forward		**118,076,092**	115,804,517

The accompanying notes on pages 11 to 21 are an integral part of these financial statements.

The YMCA Pension and Assurance Plan

STATEMENT OF NET ASSETS
AS AT 30 APRIL 2016

	Notes		2016		2015 (as restated)
		£	£	£	£
Investment assets:					
Pooled investment vehicles	8.1		**105,722,738**		100,801,817
Cash in transit	8.1		**608,114**		-
Insurance policies	8.2		**10,335,000**		11,004,000
AVCs	9		**189,966**		210,421
	8.1		**116,855,818**		112,016,238
Current assets					
Full buy-out income receivable	11.1	**285,285**		3,332,417	
Bank balances		**929,650**		269,622	
Sundry debtors	11.2	**121,911**		252,345	
		1,336,846		3,854,384	
Current liabilities					
Benefits payable		**49,557**		11,379	
Sundry creditors	12	**67,015**		54,726	
		116,572		66,105	
Net current assets			**1,220,274**		3,788,279
Net assets of the plan at 30 April			**118,076,092**		115,804,517

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which does take into account such obligations, is dealt with in the Summary Funding Statement and Actuarial Certificate in the appendices of the annual report which should be read in conjunction with these financial statements.

The financial statements were approved and authorised for issue by the Trustee and were signed on its behalf on 6th December 2016 by:

…………………………………………… ………………………………………..

H JONES – Chair G HOBBS - Director

The accompanying notes on pages 11 to 21 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2016

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 and the guidance set out in the Statement of Recommended Practice (the "SORP"), "Financial Reports of Pension Schemes (revised November 2014)".
The implementation of FRS102 has required a change to the accounting policy for the inclusion of pension annuities as described in note 8.2. The effect of this change is detailed in note 15. The Trustees have chosen to apply early the amendment to FRS102 issued in March 2016 'Fair value hierarchy disclosures'.

2. ACCOUNTING POLICIES

(i) Contributions
The contributions are accounted for when receivable in accordance with the schedule of contributions, which is derived from the Recovery Plan agreed by the Trustee and the Principal Employer. The Recovery Plan seeks to eliminate the plan's deficit within 12 years from 1st May 2014.

Buy Out payments are accounted for in the period in which the employer cessation event was triggered or agreed, at the amounts determined by the actuary.

(ii) Benefits payable
Benefits payable are accounted for when they fall due and represent all valid benefit claims in respect of the Plan year. Where a retiring member is eligible to elect for a commutation of pension, the liability is recognised once that choice has been communicated to the Plan (if later than the date of retirement).

(iii) Valuation of investments
Managed fund investments are stated at the latest bid prices quoted by the managers at the accounting date.

(iv) Investment income
Income from pooled investment vehicles and interest receivable on cash deposits are accounted for on an accruals basis.

Income receivable from purchased annuity policies is included in investment income. The matching pension payments are included within benefit costs in the Fund Account.

(v) Transfers to other schemes
Transfers values are accounted for when the receiving party agrees to accept the liability in respect of members leaving the plan, at values determined by the Actuary advising the Trustee. Members leaving the Plan are assumed to have taken a preserved pension until the Trustee is otherwise advised.

(vi) Expenses
Administration and investment management expenses are accounted for on an accruals basis.

(vii) Annuity Policies
Annuity policies purchased from insurance companies are included at the value of the pensions secured determined using the most recent Scheme Funding valuation assumptions and methodology. Annuity valuations are provided by the Scheme Actuary.

(viii) AVC
The Trustee holds assets invested separately from the main fund in the form of unit linked insurance policies with Scottish Widows and Prudential securing additional benefits for those members electing to pay additional voluntary contributions. Additional Voluntary Contributions investments are stated at the valuations informed by the providers at the accounting date.

The YMCA Pension and Assurance Plan

3.1 CONTRIBUTIONS

	2016 £	2015 £
Normal contributions		
Participating Employers' deficit funding contributions	**2,828,674**	2,866,835
Additional contributions		
Participating Employers' contribution towards Pension Plan expenses and fees	**443,290**	491,236
	3,271,964	3,358,071

The Plan was closed to future accrual of service with effect from 1 May 2007, therefore the only contributions received during the year were in respect of deficit funding contributions in accordance with the Schedule of Contributions, and expenses. Deficit funding contributions are payable until 1 May 2027 under the Schedule of Contributions currently in force to reduce the Plan's deficit.

Details of late contributions from Participating Employers are reported in note 14.
The Pension Protection Fund Levy payments are not known when the annual contributions are being calculated so are charged to Participating Employers in the following year.

3.2 PARTICIPATING EMPLOYERS' FULL BUY-OUT PAYMENTS

Where a Participating Employer enters a buy-out arrangement contributions are received both in respect of the buy-out figure as well as the actuarial and investment adviser's expenses. The associations buying-out in 2015/6 were YMCA Derbyshire, Ashton, Wigan & District YMCA and YMCA Suffolk (2014/15: Birkenhead YMCA, Burton-on-Trent YMCA and South London YMCA).
In addition Barry YMCA bought out during 2015/6 but the funds were not received until June 2016 so is included as a debtor at the year end.

4. BENEFITS

	2016 £	2015 (as restated) £
Pension payments	**3,472,769**	3,252,396
Lump sum retirement benefits	**689,764**	725,086
Annuity purchase	**35,001**	-
	4,197,534	3,977,482

5. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2016	2015
Individual transfers to other schemes	**424,763**	134,989
Refunds to members	**-**	122
Payments to HMRC re leavers	**-**	107
	424,763	135,218

6. ADMINISTRATION EXPENSES

	2016 £	2015 £
Pension Protection Fund Levy	**104,703**	112,961
Legal fees (see note below)	**54,530**	63,136
Net administration of the Plan (see also note 13)	**120,829**	95,829
Xafinity service charge	**74,753**	70,474
Actuarial services	**34,373**	32,878
Xafinity additional services (see note below)	**52,081**	72,863
Investment advisers	**(5,182)**	11,722
Audit fee - current year	**12,411**	8,400
- under accrual for previous years	**205**	1,254
Legal & General service charge	**2,661**	3,063
	451,364	472,580

- Following the PPG Holdings BV (2013) VAT case, input VAT is no longer being reclaimed on Pension Plan expenditure.
- The legal fees for 2016 and prior years include fees for contesting the Huddersfield YMCA dispute.
- The Pension Protection Fund (PPF) is a Statutory Levy comprised of a scheme based levy and a risk premium.
- In addition to the normal services, the Xafinity additional services charges in 2016 include GMP reconciliations, buy-out calculations and sundry other services (2015 include fund valuations, buy-out calculations and other services).
- Administrative expenses includes the cost of trustee meetings of £3,431 (2015: £2,116).

7. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2016 £	2015 £
Annuity income	**872,300**	872,300
Income from investments	**119,232**	126,717
Bank interest received	**919**	352
	992,451	999,369

Investment income within Mercer funds is accumulated within the fund value and not included in the above figures.

8. INVESTMENTS

8.1 Pooled Investment Vehicles

	Value at 1 May 2015 (as restated) £	Purchases at cost £	Sale Proceeds £	Change in market value £	Value at 30 April 2016 £
Pooled Investment Vehicles *					
Mercers	97,506,902	64,695,639	(61,979,557)	1,985,179	**102,208,162**
Schroders	3,294,915	-	-	219,661	**3,514,576**
Total	100,801,817	64,695,639	(61,979,557)	2,204,840	**105,722,738***
Annuity Policies (note 8.2)	11,004,000	-	-	(669,000)	**10,335,000**
AVC investments (Note 9)	210,421	-	(46,739)	26,284	**189,966**
	112,016,238	64,695,639	(62,026,296)	1,562,124	**116,247,704**
Cash in transit	-	-	-	-	**608,114**
	112,016,238	64,695,639	(62,026,296)	1,562,124	**116,855,818**

Investments are valued at the bid price at the reporting date.

The change in market value of investments during the year comprises all increases and decreases in the market value of the investments held at any time during the year, income received within the investment funds, and all profits and losses realised on sales of investments during the year.

* Represented by:	2016 £	2016 %	2015 £	2015 %
Global equity portfolio	29,637,087	*28%*	36,305,469	*36%*
Alternatives	12,204,519	*12%*	12,218,055	*12%*
Bond portfolio	6,569,249	*6%*	6,914,542	*7%*
Property (Schroder only)	3,514,576	*3%*	3,294,915	*3%*
Multi-asset credit	3,795,377	*4%*	2,603,142	*3%*
Cash funds	-	-	7,027,427	*7%*
Growth Portfolio	55,720,808	53%	68,363,550	*68%*
LDI funds	27,194,069	26%	17,657,444	17%
UK credit matching	22,807,861	*21%*	14,780,823	*15%*
Matching Portfolio	50,001,930	*47%*	32,438,267	*32%*
TOTAL PORTFOLIO	105,722,738	*100%*	100,801,817	*100%*

The companies operating the pooled investment vehicles are registered in the United Kingdom.

INVESTMENTS (continued)

Individual investments representing more than 5% of the total net assets of the Plan:

Investment Fund	£	%
MERCER UK CREDIT FUND	22,807,861	19.3%
MERCER FLEX LDI £ FIXED ENHCD MATCHING FUND	19,221,281	16.3%
MERCER LIQUID ALTERNATIVE STRATEGIES FUND	10,767,104	9.1%
MERCER FUNDAMENTAL INDEXATION GLOBAL EQUITY	6,766,004	5.7%
MERCER PASSIVE GLOBAL EQUITY	6,749,185	5.7%
ANNUITY POLICIES – LEGAL & GENERAL	6,644,000	5.6%
MERCER GLOBAL SMALL CAP EQUITY FUND	6,167,811	5.2%

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the scheme such as fees, commissions, stamp duty and other fees totalling £7,484 (2015: £49,689). Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles, the amount of which is not separately provided to the Plan.

The Mercer Dynamic De-risking portfolio aims to match the profile of investments held against the profile of pension obligations to reduce investment risk. The de-risking strategy involves the setting in advance of trigger points at certain percentage funding levels at which Mercer will switch a proportion of the investment portfolio from growth investments into matching investments. This strategy aims to progressively move the portfolio to 100% matching assets as the plan moves to a fully funded position. The de-risking trigger points are normally reviewed and re-set by the Trustee annually. As shown above, by the year end specifically matched funds had moved from £32.4 million to £42 million.

The Plan has investments with Mercer Private Partners III (Offshore) LP and at the year end the Plan has a further commitment of $2,497,000 (2015: $2,951,000) remaining as uncalled capital. At 30 April 2016 this is equivalent to £1,437,415 (2015: £1,009,566).

8.2 The Trustee holds insurance policies with insurance companies that secure the pensions payable to certain beneficiaries. These policies remain assets of the YMCA Pension and Assurance Plan, and are shown in the Net Assets Statement at the valuation calculated by the actuary based on the value of the liabilities which are secured by these policies. This change in policy has increased the reported Net Assets at 30 April 2015 by £11m.

9. ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) INVESTMENTS

The Trustee holds assets invested separately from the main fund in the form of unit linked insurance policies with Scottish Widows and Prudential securing additional benefits for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. The AVC facility was closed from 1 May 2007.

Total value of AVC investments are as follows:	**2016**	**2015**
	£	£
Scottish Widows	**112,170**	103,764
Prudential	**77,796**	106,657
	189,966	210,421

10. INVESTMENT RISK DISCLOSURES

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

1) Market risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

- currency risk,
- interest rate risk and
- other price risk,

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

2) Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Plan has exposure to the above risks through the assets held to implement its investment strategy. The investment strategy has been designed to balance the risk and return while allowing the Plan to achieve its objectives. The Trustee has delegated day-to-day management of the Plan's assets to Mercer Limited ("Mercer"), who in turn delegates responsibility for the investment of the Plan's assets to a range of underlying investment managers. Mercer is responsible for the selection, appointment, removal and monitoring of the underlying investment managers. The underlying investment managers have full discretion to buy and sell investments on behalf of the Plan subject to constraints Mercer have agreed with the managers.

In addition to those assets managed by Mercer, the Plan invests in a property fund managed by Schroders Investment Management ("SIM") which in turn has full discretion to buy and sell investments on behalf of the Plan, and in annuity policies.

Reducing Risk

The Trustee has taken the step to reduce investment risk within their portfolio by implementing a de-risking strategy whereby the level of investment risk inherent in the Plan's investment arrangements will reduce further as the Plan's funding level improves. The Trustee agreed the way in which the investment risk should be reduced and has delegated the implementation of the de-risking strategy to Mercer. The derisking strategy comprises funding level triggers which are monitored daily by Mercer. When a pre agreed trigger level is breached, Mercer opportunistically switches from growth assets into matching assets. Mercer constructs portfolios of investments that are expected to maximise the return given the targeted level of risk.

The investment objectives of the Plan are further detailed in the Statement of Investment Principles (SIP). Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include the AVC investments as these are not considered significant in relation to the overall investments of the Plan.

Investment Strategy

The investment objective of the Plan is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Plan payable under the Trust Deed and Rules as they fall due. The investment strategy is agreed by the Trustee, taking into account considerations such as the strength of the Employer covenant, the

INVESTMENT RISK DISCLOSURES (Continued)
long-term liabilities of the Plan and the Recovery Plan agreed with the Employer. The key decision is the level of growth and matching assets in the investment strategy. More details on the investment strategy are set out in the SIP.

The Plan's current target investment strategy is as follows:
- 46.6% in investments that share characteristics with the long term liabilities of the Plan, referred to as 'matching' assets. The matching assets are invested in assets including government and corporate bonds as well as derivative instruments to hedge the impact of interest rate movements and inflation expectations on the long term liabilities.

- 53.4% in investments that seek to generate a return above the liabilities, referred to as 'growth' assets. The growth assets are currently invested in global developed market and emerging market equities, high yield and emerging market bonds, multi asset credit, liquid alternatives, private debt and property.

In turn, 50% of the growth portfolio exposure is invested in pooled funds where any non-sterling exposure is hedged to sterling using forward contracts. This is to manage the currency risk associated with investing in non-sterling denominated assets.
The actual allocations will vary from the above due to market price movements, dynamic asset allocation decisions, breaching pre agreed de risking triggers and intervals between rebalancing the portfolio.

(i) Market Risk
a. Currency Risk
Indirect currency risk arises from the Plan's investment in sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currency. The value of these funds at the Plan year end amounted to £45.1m (2015: £51.6m). To limit currency risk, Mercer currently target non-sterling currency exposure of 50% of the growth portfolio value. This is achieved through a currency hedging policy using currency hedging derivatives such as forwards and swaps. The actual currency exposure will vary around the 50% target due to market price movements, dynamic asset allocation decisions and intervals between rebalancing the portfolio.

b. Interest Rate Risk
The Plan's assets are subject to indirect interest rate risk because some of the Plan's investments are held in pooled funds which comprise bonds, interest rate swaps and cash. Mercer has considered these indirect risks in the context of the overall investment strategy.
At the year end, the matching asset portfolio represented c.40% of the total investment portfolio (2015: c.39.2%). The Trustees hold these assets as part of their LDI investment strategy, under this strategy, if interest rates fall, the value of LDI investments will rise to help offset the increase in actuarial liabilities which will also increase if interest rates fall (all else equal). Conversely, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities.
The Plan also has exposure to overseas interest rate risk though some of the growth portfolio investments, such as Multi Asset Credit, Emerging Market Debt, Private Debt and High Yield Debt. The interest rate exposure that these asset classes introduce is part of the investment strategy to add value rather than to match liabilities.

c. Other Price Risk
Other price risk arises principally in relation to the Plan's growth assets which seek a return above gilts. This portfolio currently includes global developed market and emerging market equities, high yield and emerging market bonds, multi asset credit, liquid alternatives, private debt and property, all held through investments in pooled investment vehicles.
The benchmark set for investment in growth assets is 53.4% of the total investment portfolio, with pre agreed triggers in place which are expected to reduce this allocation over time as the funding level improves. Mercer manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets and geographies.
Over the year, the Plan de-risked its investment strategy by reducing the target growth allocation. At the year end, the growth portfolio represented c.60 % of the total investment portfolio (2015: c. 68%).

(ii) Credit Risk

The Plan invests in pooled investment vehicles and holds insurance policies in the name of the Trustee, and is therefore directly exposed to credit risk in relation to these instruments.
The Plan is also subject to indirect credit risk through the investments in pooled investment vehicles which in turn invest in sovereign government bonds and corporate bonds. Credit risk arises in both the growth and matching portfolio. The value of these assets at Plan year end amounted to c.£62.3m (2015: c.£49.8m).

The pooled investment arrangements used by the Plan comprise authorised unit trusts. The Plan's direct holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustees manage and monitor the credit risk arising from its pooled investment arrangements by considering the nature of the arrangement, the legal structure and regulatory environment. Direct Credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the manager.

The Plan is indirectly exposed to credit risks arising on the underlying investments held by these pooled investment vehicles. Mercer manages credit risk within the Plan's matching portfolio by predominantly holding UK government bonds and investment grade corporate bonds (within the UK credit fund) which have a low expected risk of default. Credit risk is managed by limiting the expected allocation to sub investment grade credit to 10% of the total value of the corporate bond allocation within the UK credit fund. Where derivatives are used there is a daily collateralisation process.

Indirect credit risk arises in relation to underlying investments held in the Growth Portfolio pooled investment vehicles including Emerging Market Debt Fund, High Yield Debt Fund, Multi-Asset Credit Fund and Private Debt. The Trustee invests in Funds which hold non-investment grade credit rated instruments with a view to adding value. Indirect credit risk is mitigated through diversification of the underlying securities to minimise the impact of default by any one issuer.

Credit risk is also managed by employing experienced active managers in these particular asset classes and by limiting the overall exposure of credit within the growth portfolio. As at the Plan year end, the value of the Multi Asset Credit Fund, Global High Yield Bond fund, Private Debt and Emerging Market Debt fund totalled c.£11.8m which was c.19% of the Plan's Growth portfolio and c.10% of total assets (2015 c.£10.5m allocation to these asset classes which was c.15% of growth portfolio c.9% of total assets).

Some pooled arrangements invest in other pooled arrangements, for example, the Mercer Liquid Alternatives Strategy is a fund of hedge funds. Mercer has considered the impact of these arrangements in relation to the Plan's exposure to failure by the sub-funds who may have different regulatory or insolvency protections compared to the pooled investment made directly by the Plan.

INVESTMENT FUNDS: FAIR VALUE HIERARCHY

The fair value of financial instruments has been estimated using the following fair value hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable (ie for which market data is unavailable) for the asset or liability

2016

Investment	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Pooled investment vehicles:				
- Mercer	-	90,003,644	12,204,518	102,208,162
- Schroders	-	-	3,514,576	3,514,576
Insurance policies	-	-	10,335,000	10,335,000
AVC investments	-	-	189,966	189,966
Cash in transit	608,114	-	-	608,114
	608,114	90,003,644	26,244,060	116,855,818

2015

Investment	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Pooled investment vehicles:				
- Mercer	-	85,288,847	12,218,055	97,506,902
- Schroders	-	-	3,294,915	3,294,915
Insurance policies	-	-	11,004,000	11,004,000
AVC investments	-	-	210,421	210,421
	-	85,288,847	26,727,391	112,016,238

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2016

11. DEBTORS

11.1 Full buy-out payments

The full buy-out payments of £285,285 due at April 2016 and £3,332,417 due at April 2015 were received within the time period permitted.

11.2 Sundry Debtors

	2016	2015
	£	£
Funds held by Xafinity	**1,230**	141,939
Participating Employers' contributions receivable (net of provision)	**111,384**	99,998
Investment income receivable	**9,297**	10,408
	121,911	252,345

The YMCA Pension and Assurance Plan used to pay a fixed monthly amount to Xafinity in advance of the pension payments being made to beneficiaries. The actual amounts are now paid in the month they are paid to beneficiaries.

Of the contributions due at year end £267,763 remains outstanding as of September 2016. A general provision of £157,372 (2015: £135,712) has been made for non-payment of contributions due by Participating Employers.

There were no other employer related investments within the meaning of section 40(2) of the Pensions Act 1995.

12. SUNDRY CREDITORS

	2016	2015
	£	£
Participating Employer contributions received in advance	**20,032**	13,190
Xafinity service charges payable	**12,249**	15,337
Auditor's fees payable	**12,411**	8,400
Legal fees payable	**8,746**	4,524
Investment advice fees payable	**1,380**	6,562
Pension Protection Fund Levy payable	**6,000**	6,171
Contribution refunds due to Participating Employers	**5,959**	294
Managers fees payable	**238**	248
	67,015	54,726

The refunds due to Participating Employers relate to overpayments made to the Plan that were refunded after the year end. As these amounts were received in error they are excluded from the contributions as shown in note 3.1.

The Participating Employer contributions received in advance relate to contributions in respect of the plan year commencing 1 May 2016 received prior to 30 April 2016.

13. RELATED PARTY TRANSACTIONS

The sponsoring employer, National Council of Young Men's Christian Associations (Incorporated), received £113,304 (2015: £91,670) from the Plan for providing administrative services. These are included within the administration costs detailed in note 6. The increase arises from the Plan ceasing to recover VAT following revised HMRC guidance.

The YMCA Pension and Assurance Plan received £7,650 (2015: £7,427) from the YMCA Group Life Assurance Scheme for the provision of administrative services.

Benefits for trustees who are members of the Plan are paid and accrued on the same basis as for all other members of the Plan,

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2016

14 LATE PAYMENT BY PARTICIPATING EMPLOYERS

On 170 occasions during the year, Participating Employers paid contributions later than the due date specified in the schedule of contributions. In addition, there were 30 occasions where Participating Employers did not contribute to the Plan. These late and non-payments of contributions represent 19% of the number of contributions received (2015: 114 occasions representing 16% of the number of contributions received). This may be due to administrative failings, errors by the bank or by oversight. Most of these are received shortly after the due date.

All contributions were paid within 60 days of the due date, except for those remaining unpaid at the date of signing.

Participating Employer:	Unpaid
Hastings & Rother YMCA (in dispute)	12
Herrington Burn YMCA (in administration)	6
Huddersfield YMCA (in dispute)	12
NUMBER	30

The dispute with Huddersfield YMCA has been adjudicated by the Pensions Ombudsman in favour of the Pension Trustee and the association has paid a total of £33,750 on account, discussions are on-going with Huddersfield and Hastings & Rother with regard to payment. Herrington Burn YMCA went into administration during the year and the Pension Trustee has logged a claim with the administrators.

The Assistant Pensions Administrator contacts any Participating Employer not making contributions by the due date. If the contributions are still not received this is followed up by a letter reminding Participating Employers of their legal obligations. Where appropriate, contributions over 90 days late are reported to the Pensions Regulator. The Trustee receives a report at each meeting of the Directors on all participating employers who are 60 or 90 days late and those who have been three times or more late in the financial year. Consideration is then given to what appropriate action to take.

15 IMPLEMENTATION OF FRS102

As described in note 8.2, the transition to FRS102 has required changes to previous accounting policies to include pensioners paid by annuities purchased by the Pension Plan. The impact of this change is as follows:

	April 2014 £	April 2015 £
Net assets of the Plan as previously reported	84,076,394	104,800,517
Effect of transition – valuation of annuity policies	10,478,000	11,004,000
Net assets of the Plan as restated	94,554,394	115,804,517

	2015 £
Net increase in the fund as previously reported	20,724,123
Effect of transition – valuation of annuity policies	526,000
Net increase in the fund as restated	21,250,123

Appendices

(1) Actuarial statement & certificate
(2) Schedule of contributions
(3) Investment Disclosures

Report on Actuarial Liabilities (forming part of the Trustee's report)

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to at the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employers and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 1 May 2014. This showed that on that date:

The value of the Technical Provisions was: £129,500,000

The value of the assets at that date was: £90,800,000

Annual updates as at 1 May 2015 and 1 May 2016 have been carried out since then. These showed that on those dates:

	1 May 2015	1 May 2016
The value of the Technical Provisions was:	£152,000,000	£153,500,000
The value of the assets at that date was:	£111,500,000	£114,200,000

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method & significant actuarial assumptions

The actuarial method to be used in the calculation of the technical provisions is the Accrued Benefit actuarial funding method.

	Actuarial Valuation as at 1 May 2014	Annual Update as at 1 May 2015	Annual Update as at 1 May 2016
Discount rate			
- Before retirement	5.35%	4.45%	4.35%
- After retirement	3.85%	2.95%	2.85%
Pension Increases			
- LPI max 5% min 3%	3.55%	3.45%	3.40%
- LPI max 5%	3.30%	3.15%	3.00%
Deferred Pension Revaluation	2.80%	2.65%	2.50%
Mortality	SAPS S2PxA CMI 2013 1.5% long-term trend		

The YMCA Pension and Assurance Plan
Investment Disclosures

The Myners Review and Code of Best Practice

The Myners Principles codify best practice in investment decision-making. While they are voluntary, pension fund trustees are expected to consider their applicability to their own fund and report on a 'comply or explain' basis how they have used them.

The Principles were initially published in 2001 following a Government sponsored review of institutional investment by Paul Myners, which found shortcomings in the expertise and organisation of investment decision-making by pension fund trustees.

In March 2008 the Government consulted on proposals to update the Myners Principles. This led to the publication of a revised set of six Principles for Defined Benefit ("DB") schemes in October 2008, together with the establishment of an Investment Governance Group ("IGG") to oversee the industry-led framework for the application of the principles.

While there are now only six DB Principles, in place of the original ten, their scope is largely unchanged. The Principles continue to emphasise the essentials of investment governance, notably the importance of effective decision-making, clear investment objectives and a focus on the nature of each scheme's liabilities. The Principles also require that trustees include a statement of the scheme's policy on responsible ownership in the Statement of Investment Principles and report periodically to members on the discharge of these responsibilities.

As one of its first actions the IGG launched a consultation on revised Principles for Defined Contribution ("DC") schemes. Following a consultation exercise with the industry, the revised DC Principles were published by the IGG during 2010.

In late 2011 the Regulator published a further set of six Principles concerning the design and management of DC schemes. The Pensions Regulator believes adherence to these Principles in scheme design and ongoing operations, along with the revised DC Principles published by the IGG, will help deliver positive member outcomes.

The Trustee considers that its investment policies and their implementation are in keeping with the revised principles and will assess this from time to time.

Responsible Investment and Corporate Governance

The Trustee believes that good stewardship and environmental, social and governance (“ESG”) issues may have a material impact on investment returns. The Trustee has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Plan’s investments.

Similarly, the Plan’s voting rights are exercised by each of the underlying investment managers in accordance with its own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

Equity managers who are registered in the UK are expected to report on their adherence to the UK Stewardship Code on an annual basis. An assessment against the seven underlying principles of the UK Stewardship Code is part of the Mercer’s review process of all underlying equity managers.

The Plan’s investment managers exercise voting rights and undertake engagement (collaborative or otherwise) in accordance with their own corporate governance policy, including escalation procedures to protect investment value.

Custodial Arrangements

The custodians are responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments.

Mercer, on behalf of the Trustee, has appointed State Street as administrator and custodian of the Plan’s assets invested with Mercer.

There is no custodian for the assets invested in the Schroder UK Property Fund. Instead, Schroder appoints lawyers to hold the underlying deeds.

The Trustee is responsible for ensuring the Plan's assets continue to be securely held. It reviews the custodial arrangements from time to time.