

The YMCA Pension and Assurance Plan

(Scheme Registration No: 101275754)

ANNUAL REPORT

YEAR ENDED 30 APRIL 2017

The YMCA Pension and Assurance Plan

ANNUAL REPORT
YEAR ENDED 30 APRIL 2017

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The YMCA Pension and Assurance Plan

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 that the Trustee undertook a major review of the investment strategy in 2013. Since then we have seen the benefits of taking a more dynamic de-risking approach to try and ensure that assets match liabilities going forward. This 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 more vigorous monitoring is being rolled out to all employers 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.

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 so far 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.

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

14 December 2017

The YMCA Pension and Assurance Plan

TRUSTEE'S REPORT YEAR ENDED 30 APRIL 2017

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 and subsequent amendments.

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:	Crowe Clark Whitehill LLP, London (from 5 April 2017) BDO LLP, Guildford (until 3 April 2017)
Actuary:	C Price FIA, Xafinity Consulting
Administrators:	Xafinity Consulting
Legal advisers:	Hogan Lovells International LLP
Investment Managers:	1. Mercer Limited 2. Schroders Investment Management Limited
Investment Consultants:	Mercer Investment Consulting
AVC providers:	Prudential Assurance Company Limited Scottish Widows Limited

During the year BDO LLP resigned as the Plan's auditors. They have provided a statement confirming there are no circumstance connected with their resignation which they consider affect the interests of the beneficiaries of the scheme.

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 & Wales").

MEMBERSHIP

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

	<u>2017</u>	<u>2016</u>
Deferred Members	918	965
Pensioners	693	663
	<hr/>	<hr/>
	1,611	1,628
	<hr/>	<hr/>

The YMCA Pension and Assurance Plan

TRUSTEE'S REPORT YEAR ENDED 30 APRIL 2017

CONTRIBUTIONS

The latest Schedule of Contributions was prepared by the Actuary on 4 March 2015. Under this Schedule past service deficit contributions of £2.97m per annum are payable from 1 May 2015 increasing by 3% per annum. In addition to the Schedule of Contributions all administrative expenditure including levies, is met directly by separate employer contributions.

Contributions must be received by the Plan by the 19 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 84 occasions during the year (2015/16: 170) 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.

ACTUARIAL VALUATION

The last actuarial valuation was carried out as at 1 May 2014. It showed that there was a deficit of £38.7m on the technical provisions basis equivalent to a funding level of 70%.

Further information regarding the Plan's funding position can be found in the Report on Actuarial Liabilities in the appendix to these Report and Accounts.

The next triennial valuation is due as at 1 May 2017 and is currently in progress.

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 22 show the net assets of the plan increased from £118.1m to £141.5m during the year.

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
K Fletcher *	– appointed by YMCA England & Wales
G Hobbs *	– Member Nominated Director
R Ingamells *	– Member Nominated Director
A Jenkins *	– appointed by YMCA Wales (resigned July 2016)
H Jones	– co-opted (Chair)
A Linsey *	– appointed by YMCA England & Wales
C McAulay *	– Member Nominated Director
A Rice *	– Member Nominated Director
J Rockliff	– appointed by YMCA England & Wales
N Wyld	– co-opted

Company Secretary - P Smillie *

* These directors are also members of the scheme

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 2016/17 (four times during 2015/16).

The YMCA Pension and Assurance Plan

TRUSTEE'S REPORT YEAR ENDED 30 APRIL 2017

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 as the total investment return was 22.1% (the benchmark return was 22.0%).

As required by the 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 annuity policies were valued at £10.45m as at April 2017 (2016: £10.34m).

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
- collect more detailed scheme information.

The YMCA Pension and Assurance Plan

TRUSTEE'S REPORT YEAR ENDED 30 APRIL 2017

The Pensions Regulator can be contacted at:

Napier House
Trafalgar Place
Brighton BN1 4DW

(Tel: 0845 600 0707)

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)

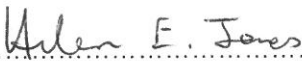
FURTHER INFORMATION

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@ymca.org.uk

Signed for and on behalf of the Trustee on 14th December 2017 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 2017 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, as a body, in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under 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 Plan and the Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Plan's Trustee is responsible for the preparation of financial statements which give 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Plan's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report, which comprises [the Trustee's Report, the Actuarial Certificates, and Report on Actuarial Liabilities to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2017, 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.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory auditor
Oldbury
United Kingdom

Date: *22 December 2017*

The YMCA Pension and Assurance Plan

FUND ACCOUNT FOR THE YEAR ENDED 30 APRIL 2017

	<u>Notes</u>	<u>2017</u> £	<u>2016</u> £
Contributions and benefits			
Employers' Contributions	3.1	3,333,467	3,271,964
Participating Employers' Full Buy Out payments	3.2	448,819	1,194,573
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		3,782,286	4,466,537
Benefits paid/payable	4	4,445,472	4,197,534
Payments to and on account of leavers	5	54,733	424,763
Administration expenses	6	523,942	451,364
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		5,024,147	5,073,661
Net (withdrawal) from dealings with Employers and Members		<hr style="border-top: 1px solid black;"/> (1,241,861)	<hr style="border-top: 1px solid black;"/> (607,124)
Returns on investments			
Investment income and interest receivable	7	1,046,102	992,451
Investment management charges		(83)	(7,555)
Investment fee rebate		414,402	331,679
Change in market value of investments	8	23,185,773	1,562,124
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Net Returns on Investments		24,646,194	2,878,699
Net increase in the Fund during the year		<hr style="border-top: 1px solid black;"/> 23,404,333	<hr style="border-top: 1px solid black;"/> 2,271,575
Net assets of the Plan brought forward		<hr style="border-top: 1px solid black;"/> 118,076,092	<hr style="border-top: 1px solid black;"/> 115,804,517
Net assets of the Plan carried forward		<hr style="border-top: 1px solid black;"/> 141,480,425	<hr style="border-top: 1px solid black;"/> 118,076,092

The accompanying notes on pages 11 to 22 are an integral part of these financial statements.

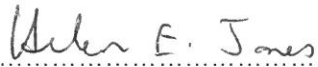
The YMCA Pension and Assurance Plan

STATEMENT OF NET ASSETS (Available for benefits) AS AT 30 APRIL 2017

	Notes	£	<u>2017</u>	£	£	<u>2016</u>	£
Investment assets:							
Pooled investment vehicles			129,798,250			105,722,738	
Cash in transit			2,847			608,114	
Insurance policies			10,451,000			10,335,000	
AVCs			203,813			189,966	
			<hr/>			<hr/>	
	8.		140,455,910			116,855,818	
Current assets							
Full buy-out income receivable	11.1		-		285,285		
Bank balances		995,888			929,650		
Sundry debtors	11.2	154,322			121,911		
			<hr/>		<hr/>		
			1,150,210		1,336,846		
			<hr/>		<hr/>		
Current liabilities							
Benefits payable	12.1	74,125			49,557		
Sundry creditors	12.2	51,570			67,015		
			<hr/>		<hr/>		
			125,695		116,572		
			<hr/>		<hr/>		
Net current assets			1,024,515			1,220,274	
			<hr/>			<hr/>	
Net assets of the plan at 30 April			141,480,425			118,076,092	
			<hr/> <hr/>			<hr/> <hr/>	

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 Report on Actuarial Liabilities and Actuarial Certificate in the appendices of this 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 14th December 2017 by:


.....
H JONES – Chair


.....
G HOBBS - Director

The accompanying notes on pages 11 to 22 are an integral part of these financial statements.

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 APRIL 2017

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 trustees have chosen to apply early the amendment to FRS102 issued in March 2016 'Fair value hierarchy disclosures'.

2. ACCOUNTING POLICIES

The scheme's functional and presentational currency is in pounds sterling.

The principal accounting policies are set out below, unless otherwise stated they have been applied consistently.

(i) Contributions

Normal contributions and contributions towards expenses and fees, 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) Payments to members

Pensions in payment are accounted for in the period to which they relate.

Benefits are accounted for in the period in which the member notifies the trustees of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

(iii) Investments

Pooled investment vehicles stated at the latest bid prices quoted by the managers at the accounting 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.

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.

(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, investment management expenses and rebates 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.

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2017

ACCOUNTING POLICIES (continued)

(viii) **AVC**

The Trustee holds assets invested separately from the main fund 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. With profits policies include the final bonus accrued at the accounting date. Deposit AVC's include accrued interest and unit linked policies are based on the AVC fund's net asset value.

3.1 CONTRIBUTIONS	<u>2017</u>	<u>2016</u>
	£	£
Normal contributions		
Participating Employers' deficit funding contributions	2,866,932	2,828,674
Additional contributions		
Participating Employers' contribution towards Pension Plan expenses and fees	466,535	443,290
	<u>3,333,467</u>	<u>3,271,964</u>

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 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 2016/7 were Fencehouses YMCA, and Richmond YMCA, in addition High Wycombe YMCA closed and paid £198,309 (2015/6: YMCA Derbyshire, Ashton, Wigan & District YMCA and YMCA Suffolk).

In addition Barry YMCA bought out during 2015/6 but the funds were not received until June 2016 so were included as a debtor at the prior year end.

4. BENEFITS	<u>2017</u>	<u>2016</u>
	£	£
Pension payments	3,767,674	3,472,769
Lump sum retirement benefits	611,362	689,764
Death benefits	52,552	-
Refund of contributions on death	13,884	-
Annuity purchase	-	35,001
	<u>4,445,472</u>	<u>4,197,534</u>

5. PAYMENTS TO AND ON ACCOUNT OF LEAVERS		
Individual transfers to other schemes	<u>54,733</u>	<u>424,763</u>

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 30 APRIL 2017

6. ADMINISTRATION EXPENSES	<u>2017</u> £	<u>2016</u> £
Net administration of the Plan (see also note 13)	116,216	120,829
Pension Protection Fund Levy	114,990	104,703
Legal fees (see note below)	66,790	54,530
Xafinity service charge	68,520	74,753
Actuarial services	56,408	34,373
Xafinity additional services (see note below)	56,481	52,081
Investment advisers	24,609	(5,182)
Audit fee - current year	10,740	12,411
- under accrual for previous years	6,801	205
Legal & General service charge	2,387	2,661
	<hr/>	<hr/>
	523,942	451,364
	<hr/> <hr/>	<hr/> <hr/>

- Following the PPG Holdings BV (2013) VAT case, input VAT is not reclaimed on Pension Plan expenditure.
- The legal fees for 2017 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 and 2017 include GMP reconciliations, buy-out calculations and sundry other services.
- Administrative expenses includes the cost of trustee meetings of £2,488 (2016: £3,431).

7. INVESTMENT INCOME AND INTEREST RECEIVABLE	<u>2017</u> £	<u>2016</u> £
Annuity income	924,000	872,300
Income from investments	121,604	119,232
Bank interest received	498	919
	<hr/>	<hr/>
	1,046,102	992,451
	<hr/> <hr/>	<hr/> <hr/>

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

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2017

8. INVESTMENTS

Pooled Investment Vehicles	Value at 1 May 2016 £	Purchases at cost £	Sale Proceeds £	Change in market value £	Value at 30 April 2017 £
<u>Pooled Investment Vehicles *</u>					
Mercer	102,208,162	62,585,978	(61,566,309)	22,958,686	126,186,517
Schroders	3,514,576	-	-	97,157	3,611,733
Total	105,722,738	62,585,978	(61,566,309)	23,055,843	129,798,250*
Insurance Policies - annuities	10,335,000	-	-	116,000	10,451,000
AVC investments (Note 9)	189,966	-	(83)	13,930	203,813
	<u>116,247,704</u>	<u>62,585,978</u>	<u>(61,566,392)</u>	<u>23,185,773</u>	<u>140,453,063</u>
Cash in transit	608,114				2,847
	<u>116,855,818</u>				<u>140,455,910</u>

* Represented by:	£	2017 %	£	2016 %
Global equity portfolio	26,870,294	21%	29,637,087	28%
Alternatives	15,214,981	11%	12,204,519	12%
Bond portfolio	12,949,185	10%	6,569,249	6%
Multi-asset credit	6,548,876	5%	3,795,377	4%
Property (Schroder only)	3,611,733	3%	3,514,576	3%
Cash funds	2,672,759	2%	-	-
Growth Portfolio	<u>67,867,828</u>	<u>52%</u>	<u>55,720,808</u>	<u>53%</u>
LDI funds	36,755,968	29%	27,194,069	26%
UK credit matching	25,174,454	19%	22,807,861	21%
Matching Portfolio	<u>61,930,422</u>	<u>48%</u>	<u>50,001,930</u>	<u>47%</u>
TOTAL PORTFOLIO	<u>129,798,250</u>	<u>100%</u>	<u>105,722,738</u>	<u>100%</u>

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 30 APRIL 2017

INVESTMENTS (continued)

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

Investment Fund	£	%
MERCER FLEX LDI £ FIXED ENHCD MATCHING FUND	25,258,803	19.5%
MERCER UK CREDIT FUND	25,174,454	19.4%
MERCER LIQUID ALTERNATIVE STRATEGIES FUND	12,686,950	9.8%
MERCER EMERGING MARKETS EQUITY FUND	8,074,947	6.2%
MERCER MULTI-ASSET CREDIT FUND	6,548,876	5.1%

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. During the year no transaction costs were incurred as prior to the account year start Mercer moved to single pricing funds, and as such moving in to or out of the funds does not incur explicit costs. In the prior year transaction costs were £7,484. 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.

Capital Commitments

The Plan has investments with Mercer Private Partners III (Offshore) LP and at the year end the Plan has a further commitment of \$1,634,400 (2016: \$2,497,000) remaining as uncalled capital. At 30 April 2017 this is equivalent to £1,262,180 (2016: £1,437,415).

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 profits policies and deposit AVC 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:

	<u>2017</u>	<u>2016</u>
	£	£
Scottish Widows	122,573	112,170
Prudential	81,240	77,796
	<hr/>	<hr/>
	203,813	189,966
	<hr/> <hr/>	<hr/> <hr/>

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 30 APRIL 2017

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), 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 de-risking 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 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 in note 8, by the year end specifically matched funds had moved from £50 million to £62 million.

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.

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2017

INVESTMENT RISK DISCLOSURES (Continued)

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 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.

- 60% currency hedge ratio within the growth portfolio. This is achieved through a currency hedging policy using currency hedging derivatives such as forwards and swaps. Additional currency risk may arise when underlying managers take active currency positions.

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.

Investment Risk Breakdown

The following table summarises the extent to which the various Mercer and Schroders asset classes of investments are affected by financial risks:

Fund	Portfolio	Indirect Currency Risk	Indirect Interest Rate Risk	Indirect Credit Risk	Indirect Other Price Risk
Passive Global Equity	Growth	X			X
Passive Global Equity (Hedged)	Growth				X
Passive Global Equity – Fundamental Indexation	Growth	X			X
Passive Global Equity – Fundamental Indexation (Hedged)	Growth				X
Global Low Volatility Equity	Growth	X			X
Global Low Volatility Equity (Hedged)	Growth				X
Global Small Cap Equity	Growth	X			X
Sustainable Global Equity	Growth	X			X
Eurozone Equity (Hedged)	Growth				X
Emerging Markets Equity	Growth	X			X
Emerging Markets Debt	Growth	X	X	X	
Global High Yield	Growth	X	X	X	
Global High Yield (Hedged)	Growth		X	X	
Multi-Asset Credit	Growth	X	X	X	X
Absolute Return Fixed Income	Growth	X	X	X	X

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 30 APRIL 2017

Liquid Alternative Strategies	Growth	X	X	X	X
Private Investment Partners III	Growth	X	X	X	X
UK Cash	Growth		X	X	
Schroders UK Property	Growth			X	X
UK Credit	Matching		X	X	
UK Long Gilts	Matching		X		
Nominal LDI Bonds	Matching		X		
Inflation-Linked Bonds	Matching		X		X
Inflation-Linked LDI Bonds	Matching		X		X
Medium Flexible Fixed	Matching		X	X	
Long Flexible Fixed	Matching		X	X	
Medium Flexible Real	Matching		X	X	X

(i) Market Risk

a. Currency Risk

The plan is subject to currency risk because some of the pooled investment vehicles in which the Plan's investments are denominated are priced in a foreign currency. The value of these funds at the Plan's year end amounted to £49.8m (2016: £45.1m).

To limit currency risk, Mercer has set a strategic target currency hedge ratio of 60% within the growth portfolio. This is achieved through currency hedging derivatives such as forwards and swaps. Additional currency risk may arise when underlying managers take active currency positions.

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 47.7% of the total investment portfolio (2016: 47%). 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 through some of the growth portfolio investments, such as Emerging Market Debt Fund, Global High Yield Debt Fund, Multi-Asset Credit Fund, Absolute Return Fixed Income Fund, Liquid Alternatives Strategies, Private Investment Partners III – Private Debt and UK Cash Fund. The value of these assets at Plan year end amounted to £29.3m which was 43.2% of growth portfolio and 22.6% of total assets (30 April 2016: £22.6m which was 41.1% of growth portfolio and 21.2% of total assets). 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. These are indicated in the table above.

The benchmark set for investment in growth assets was 53.4% of the total investment portfolio as at 30 April 2017. Triggers are in place to reduce the allocation 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.

At the year end, the growth portfolio represented 52.3% of the total investment portfolio (30 April 2016: 53.0%).

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 30 APRIL 2017

(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 investments.

The Plan's growth and matching portfolio assets are also subject to indirect credit risk as indicated in the table above.

The pooled investment arrangements used by the Plan comprise authorised unit trusts. The Plan's 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. 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 risk arising on the underlying investments held by these pooled investment vehicles. Indirect credit risk arises in relation to underlying investments held in the Growth Portfolio pooled investment vehicles including Emerging Market Debt Fund, Global High Yield Debt Fund, Multi-Asset Credit Fund, Absolute Return Fixed Income Fund, Liquid Alternatives Strategies, Schrodgers Property Fund, Private Investment Partners III – Private Debt and UK Cash Fund. The value of these assets at Plan year end amounted to £32.9m which was 48.5% of growth portfolio and 25.4% of total assets (30 April 2016: £26.1m which was 46.3% of growth portfolio and 24.5% of total assets).

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. The Trustees invest 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.

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.

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2017

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

2017

Investment	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles:				
- Mercer	-	110,971,536	15,214,981	126,186,517
- Schroders	-	-	3,611,733	3,611,733
Insurance policies	-	-	10,451,000	10,451,000
AVC investments	-	-	203,813	203,813
Cash in transit	2,847	-	-	2,847
	2,847	110,971,536	29,481,527	140,455,910

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

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 30 APRIL 2017

11. DEBTORS

11.1 Full buy-out payments

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

11.2 Sundry Debtors

	<u>2017</u>	<u>2016</u>
	£	£
Funds held by Xafinity	1,230	1,230
Participating Employers' contributions receivable (net of provision)	131,154	111,384
Investment income receivable	11,330	9,297
Prepayments	10,608	-
	154,322	121,911

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 £68,720 remains outstanding as of September 2017. A general provision of £212,722 (2016: £157,372) 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. CREDITORS

12.1 Benefits Payable

	<u>2017</u>	<u>2016</u>
	£	£
Lump sum retirement benefits payable	58,861	46,453
Death benefits payable	11,254	-
Pension payments payable	4,010	3,104
	74,125	49,557

12.2 Sundry Creditors

	<u>2017</u>	<u>2016</u>
	£	£
Legal fees payable	14,335	8,746
Contribution refunds due to Participating Employers	12,138	5,959
Auditor's fees payable	10,740	12,411
Xafinity service charges payable	7,428	12,249
Pension Protection Fund Levy payable	6,000	6,000
Investment advice fees payable	-	1,380
Participating Employer contributions received in advance	698	20,032
Managers fees payable	231	238
	51,570	67,015

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 2017 received prior to 30 April 2017.

The YMCA Pension and Assurance Plan

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 30 APRIL 2017

13. RELATED PARTY TRANSACTIONS

The sponsoring employer, National Council of Young Men's Christian Associations (Incorporated), received £116,703 (2016: £113,304) from the Plan for providing administrative services. These are included within the administration costs detailed in note 6. These fees include irrecoverable VAT.

The YMCA Pension and Assurance Plan received £7,750 (2016: £7,650) 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.

14. LATE PAYMENT BY PARTICIPATING EMPLOYERS

On 51 occasions during the year, Participating Employers paid contributions later than the due date specified in the schedule of contributions. In addition, there were 33 occasions where Participating Employers did not contribute to the Plan. These late and non-payments of contributions represent 8% of the number of contributions receivable (2016: 170 occasions representing 16% of the number of contributions receivable). 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:	60-89 days overdue	90 days and over	Unpaid
Halifax YMCA	1	-	-
Hastings & Rother YMCA (in dispute)	-	-	12
High Wycombe YMCA (now closed)	-	-	9
Huddersfield YMCA (in dispute)	-	-	12
Paisley YMCA	1	2	-
Richmond YMCA	1	-	-
White Rose YMCA	1	-	-
NUMBER	4	2	33

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 ongoing with Huddersfield YMCA and Hastings & Rother YMCA with regard to payment. Herrington Burn YMCA went into administration during the year ended April 2016 and the Pension Trustee has logged a claim with the administrators. High Wycombe YMCA closed during the year and paid the balance of its liquid assets to the Pension Plan.

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.

Appendices

- (1) Actuarial statement & certificate
- (2) Report on Actuarial Liabilities
- (3) Investment Disclosures

Schedule of Contributions

The YMCA Pension and Assurance Plan (“the Scheme”)

Status

This schedule of contributions has been prepared by the Trustee after obtaining the advice of the actuary to the Plan, Colin Price, and has been agreed by the employers' representative.

Period Covered by the Schedule

The schedule shows the rates and due dates of contributions (other than voluntary contributions) payable towards the Plan during the period from 1 May 2015 to 1 May 2027.

Contributions to be paid by the Employers

Contributions in respect of the shortfall in funding in accordance with the recovery plan dated 1 November 2014	Due Payment Dates
Total contributions will be £2.97m per annum payable from 1 May 2015 and increasing by 3.0% per annum at each 1 May thereafter.	To be paid to the Plan on or before the 19th of the month.

Notes

1. The life assurance benefits are provided under a separate trust.
2. Items of administrative expenditure, including all Plan Levies, are met directly by separate employer contributions and are accordingly not shown on this schedule of contributions. These expenses are invoiced annually by the YMCA Pension Plan Trustee Limited.
3. Payments will be monitored against the amounts and dates on this schedule. Any amount unpaid must be treated as a debt due to the Trustee from the relevant participating employer.
4. The employers and the Trustee can agree payment of contributions exceeding those set out above and contributions may be paid in advance of a due payment date.
5. Special contributions in respect of Employers ceasing to participate in the plan will be treated as advance payment of the contributions required under this schedule.

Schedule of Contributions

Employer

Name: DENISE HATTON

Position: CEO

Signature: 

Date: 17/3/15

For and on behalf of all participating employers

Trustee

Name: KEITH FLETCHER

Position: Trustee

Signature: 

Date: 17.3.15

For and on behalf of the Trustee of the YMCA Pension and Assurance Plan

Actuary

This Schedule of Contributions has been agreed by the Trustee after obtaining actuarial advice from me.

Name: Colin Stewart Price

Position: Actuary to the YMCA Pension and Assurance Plan

Signature: 

Date: 4.3.2015

Certification of Schedule of Contributions

Name of Scheme: The YMCA Pension and Assurance Plan


Adequacy of Rates of Contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 1 May 2014 to be met by the end of the period specified in the recovery plan.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated March 2015.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.


Signature: 	Date: 4.3.2015
Name: Colin Stewart Price	Qualification: Fellow of the Institute and Faculty of Actuaries
Address: Phoenix 1 Station Hill Reading Berks RG1 1NB	Employer: Xafinity Consulting Limited

Appendix G – Certification of Technical Provisions

The YMCA Pension and Assurance Plan

Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Plan's technical provisions as at 1 May 2014 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Plan and set out in the Statement of Funding Principles dated March 2015.

Signature:		Date:	4.3.2015
Name:	Colin Stewart Price	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	Phoenix 1 Station Hill Reading Berks RG1 6NB	Employer:	Xfinity Consulting Limited

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

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.