The YMCA Pension and Assurance Plan

(Scheme Registration No: 101275754)

ANNUAL REPORT

YEAR ENDED 30 APRIL 2018

The YMCA Pension and Assurance Plan

ANNUAL REPORT
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The YMCA Pension and Assurance Plan

CHAIRPERSON'S FOREWORD

The forward to this annual report is not part of the formal statement but highlights some of the issues the Trustee has addressed in the year.

2017/18 saw the triennial valuation exercise as at 1 May 2017 completed, following which it was pleasing to report that the Plan's deficit had reduced to £33.6m (£38.7m in 2014). The result was that it was business as usual for Participating Employers in relation to their deficit contributions which are scheduled to continue through to 2027.

The Trustees' investment strategy continues to meet its strategic aims by operating a dynamic de-risking approach to try and ensure that assets increasingly match liabilities as the overall funding position of the Plan improves going forward. This has resulted in an increase in the percentage of assets that now match liabilities, although there is still a need for a percentage of assets to sit in the growth portfolio in order to close the funding gap

The Trustee continues to monitor the credit rating of every Participating Employer in the Plan as it is aware of how a deterioration in a Participating Employer's rating can have an impact on the pension protection fund levy and ultimately on the risks to the remaining Participating Employers.

The credit ratings undertaken by Experian on behalf of the pension protection fund (PPF) primarily focus on Participating Employers' annual reports and accounts and any legal charges lodged at Companies House. In order to better monitor the covenant strength, Participating Employers in the Plan are asked to complete a health check which provides information on a more up to date basis and this is now being analysed in more detail. We continue to monitor the situation closely.

Following completion of the triennial valuation the Trustee looked at the cash commutation rates (where for every pound of annual pension an individual gives up at retirement they receive a lump sum) and increased the rates to better reflect market practice and the valuation assumptions.

The Trustee also reviewed the basis for calculating transfer values during the triennial valuation exercise, in order to ensure the basis was up to date and in line with market practice. Deferred members have a right to transfer their entitlements to another appropriate pension arrangement of their choice; to effect this the Trustee pays a cash equivalent transfer value to the new arrangement. Following a report from the Plan's Actuary, the Trustee has revised the transfer value basis, and transfer values will no longer be reduced, as they were previously to reflect the deficit. We are able to do this because there is sufficient confidence that the deficit funding plan is on track.

The Pension Plan Trustee has been engaging with the Principal Employer and a number of Participating Employers on a liability reduction exercise. This is now primarily focussing on an enhanced transfer exercise for eligible deferred members of the Plan, namely those who have yet to receive their pension. Eligible members will be offered independent financial advice to help them decide if taking an enhanced transfer value to an alternative pension arrangement will better suit their needs. This exercise is expected to proceed and discussions are taking place with an appropriate firm of financial advisers on when this opportunity will be open to members. It is unlikely to be before the spring of 2019.

The Trustee is continually looking to improve the administration of the Plan, and give members choice where possible. The Trustee engaged the Plan's external administrators XPS Pensions Group (formerly Xafinity) to undertake a trivial commutation exercise for those pensioner members whose annual pension is very small. This gave such pensioner members the option to either continue with their small annual pension or convert it into a one off lump sum payment and then receive no further annual pension payments. 198 pensioner members were communicated with and overall some 35% of the membership decided to take up the offer of a lump sum.

The Trustee also commissioned XPS Pensions Group to undertake an analysis of the quality of the Plan records and assess any areas of weakness within the data and the associated risk. In relation to the common data that is held for everyone the Pension Plan scored a rating of 96% which is categorised as very good by the Pensions Regulator. In relation to scheme specific data the score was 84% which is rated as good. The Trustee has identified areas where improvements can be made.

My thanks go to the Directors for their continued support, especially those Directors that stepped down during the year, namely Keith Fletcher, Ron Ingamells, Anne Linsey and Nick Wyld. My thanks also go to Paul Smillie, Company Secretary for his continued hard work on behalf of members. Paul has indicated that he intends to retire at the end of 2018 and the Pension Trustee is actively seeking a replacement.

Helen E Jones
Chairperson September 2018

The YMCA Pension and Assurance Plan

TRUSTEE'S REPORT
YEAR ENDED 30 APRIL 2018

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 U.K. LLP (formerly known as Crowe Clark Whitehill LLP)
Actuary:	C Price FIA, Xafinity Consulting
Administrators:	Xafinity Punter Southall – XPS (formely known as 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

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:-

	2018	**2017**
Deferred Members	885	918
Pensioners	630	693
	1,515	1,611

TRUSTEE'S REPORT
YEAR ENDED 30 APRIL 2018

CONTRIBUTIONS

The latest Schedule of Contributions was prepared by the Actuary on 25 April 2018. Under this Schedule past service deficit contributions of £3.4m per annum are payable from 1 May 2018 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 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 69 occasions during the year (2016/17: 84) 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 2017. It showed that there was a deficit of £33.6m on the technical provisions basis equivalent to a funding level of 81%.

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 2020.

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 10 to 23 show the net assets of the plan decreased from £141.5m to £141.1m 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
S Bhatt	– co-opted June 2018
R Clark	– appointed by YMCA Scotland
K Fletcher *	– appointed by YMCA England & Wales (resigned May 2018)
G Hobbs *	– Member Nominated Director
R Ingamells *	– Member Nominated Director (resigned July 2017)
H Jones	– co-opted (Chair)
J Joy *	– Member Nominated Director (appointed October 2017)
A Linsey *	– appointed by YMCA England & Wales (resigned December 2017)
C McAulay *	– Member Nominated Director
A Mitchell	– co-opted (appointed July 2017)
A Rice *	– Member Nominated Director (resigned June 2018)
J Rockliff	– appointed by YMCA England & Wales
N Wyld	– co-opted (resigned October 2017)

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 2017/18 (four times during 2016/17).

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 are 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, gross of fees, was 3.0% (the benchmark return was 2.9%).

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 £9.4m as at April 2018 (2017: £10.45m).

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 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)

PENSIONS OMBUDSMAN

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) happened or, within three years of when the event(s) was first known about it (or ought to have been known about). There is discretion for those time limits to be extended. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

(Tel: 0800 917 4487)
enquiries@pensions-ombudsman.org.uk
www.pensions-ombudsman.org.uk

THE PENSIONS ADVISORY SERVICE ("TPAS")

For general requests for information or guidance concerning pension arrangements contact:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

(Tel: 0300 123 1047)
www.pensionsadvisoryservice.org.uk

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

(Tel: 0207 186 9500)
pensions@ymca.org.uk
www.pensions.ymca.org.uk

Signed for and on behalf of the Trustee on 27 September 2018 by:

………………………………………… H JONES – Chair

………………………………………... G HOBBS - Director

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustees. Pension scheme regulations require, and the trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme 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 making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the scheme will not be wound up.

The Trustees are also responsible for making available certain other information about the scheme in the form of an Annual Report.

The Trustees also have 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 scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustees are responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme and the dates on or before which such contributions are to be paid. The trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

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

Opinion

We have audited the financial statements of The YMCA Pension & Assurance Plan for the year ended 30 April 2018 which comprise the Fund Account, the Statement of Net Assets and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 30 April 2018, and of the amount and disposition at that date of its assets and liabilities, other than 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 Regulation 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the scheme's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements, for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to wind up the scheme or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of this report

This report is made solely to the scheme's trustees, as a body, in accordance with Regulation 3 of 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 scheme's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory auditor
Oldbury
United Kingdom

Date:

The YMCA Pension and Assurance Plan

FUND ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
Contributions and benefits			
Employers' Contributions	3.1	**3,422,612**	3,333,467
Participating Employers' Full Buy Out payments	3.2	**920,472**	448,819
		4,343,084	3,782,286
Benefits paid/payable	4	**5,612,264**	4,445,472
Payments to and on account of leavers	5	**1,954,030**	54,733
Administration expenses	6	**709,981**	523,942
		8,276,275	5,024,147
Net (withdrawal) from dealings with Employers and Members		**(3,933,191)**	(1,241,861)
Returns on investments			
Investment income and interest receivable	7	**1,003,604**	1,046,102
Investment management charges		**-**	(83)
Investment fee rebate		**457,018**	414,402
Change in market value of investments	8	**2,093,780**	23,185,773
Net Returns on Investments		**3,554,402**	24,646,194
Net (decrease) increase in the Fund during the year		**(378,789)**	23,404,333
Net assets of the Plan brought forward		**141,480,425**	118,076,092
Net assets of the Plan carried forward		**141,101,636**	141,480,425

The accompanying notes on pages 12 to 23 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 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Investment assets:					
Pooled investment vehicles			**130,842,627**		129,798,250
Cash in transit			**2,698**		2,847
Insurance policies			**9,435,000**		10,451,000
AVCs			**196,284**		203,813
	8		**140,476,609**		140,455,910
Current assets					
Bank balances		**796,936**		995,888	
Sundry debtors	11	**168,613**		154,322	
		965,549		1,150,210	
Current liabilities					
Benefits payable	12.1	**253,535**		74,125	
Sundry creditors	12.2	**86,987**		51,570	
		340,522		125,695	
Net current assets			**625,027**		1,024,515
Net assets of the plan at 30 April			**141,101,636**		141,480,425

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 27 September 2018 by:

…………………………………………… ………………………………………..

H JONES – Chair G HOBBS - Director

The accompanying notes on pages 12 to 23 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2018

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)".

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 9 years from 1 May 2018.

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.

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

	2018 £	2017 £
Normal contributions		
Participating Employers' deficit funding contributions	2,922,935	2,866,932
Additional contributions		
Participating Employers' contribution towards Pension Plan expenses and fees	499,677	466,535
	3,422,612	3,333,467

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 2017/8 were Bournemouth and Goole (2016/7: Fencehouses YMCA, Richmond YMCA, and in addition High Wycombe YMCA closed and paid £198,309).

4. BENEFITS

	2018 £	2017 £
Pension payments	**4,063,425**	3,767,674
Commutations of pensions and lump sum retirement benefits	**1,529,705**	611,362
Death benefits	**12,572**	52,552
Refund of contributions on death	**6,562**	13,884
	5,612,264	4,445,472

5. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2018	2017
Individual transfers to other schemes	**1,954,030**	54,733

6. ADMINISTRATION EXPENSES

	2018 £	2017 £
Actuarial services	**196,888**	56,408
Net administration of the Plan (see also note 13)	**130,848**	116,216
Pension Protection Fund Levy	**121,079**	114,990
Xafinity service charge	**96,593**	68,520
Legal fees (see note below)	**86,337**	66,790
Investment advisers	**40,635**	24,609
Xafinity additional services (see note below)	**23,486**	56,481
Audit fee - current year	**11,000**	10,740
- under accrual for previous years	**420**	6,801
Legal & General service charge	**2,695**	2,387
	709,981	523,942

- Following the PPG Holdings BV (2013) VAT case, input VAT is not reclaimed on Pension Plan expenditure.
- Actuarial fees have increased due to the triennial valuation.
- The Pension Protection Fund (PPF) is a Statutory Levy comprised of a scheme based levy and a risk premium.
- The legal fees for 2018 and prior years include fees for contesting the Huddersfield YMCA dispute.
- In addition to the normal services, the Xafinity additional services charges in 2017 and 2018 include GMP reconciliations, buy-out calculations and sundry other services.
- Administrative expenses includes the cost of trustee meetings of £3,396 (2017: £2,488).

7. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2018 £	2017 £
Annuity income	**878,100**	924,000
Income from investments	**124,956**	121,604
Bank interest received	**548**	498
	1,003,604	1,046,102

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2018

8. INVESTMENTS

Pooled Investment Vehicles

	Value at 1 May 2017	Purchases at cost	Sale Proceeds	Change in market value	Value at 30 April 2018
	£	£	£	£	£
Pooled Investment Vehicles *					
Mercer	126,186,517	38,147,237	(40,190,071)	2,824,462	**126,968,145**
Schroders	3,611,733	-	-	262,749	**3,874,482**
Total	129,798,250	38,147,237	(40,190,071)	3,087,211	**130,842,627**
Insurance Policies - annuities	10,451,000	-	-	(1,016,000)	**9,435,000**
AVC investments (Note 9)	203,813	-	(30,098)	22,569	**196,284**
	140,453,063	38,147,237	(40,220,169)	2,093,780	**140,473,911**
Cash in transit	2,847				**2,698**
	140,455,910				**140,476,609**

* Represented by:	2018 £	2018 %	2017 £	2017 %
Global equity portfolio	30,628,312	*23%*	32,329,489	*25%*
Alternatives	22,109,749	*17%*	17,839,909	*13%*
Bond portfolio	6,063,167	*5%*	4,865,531	*4%*
Multi-asset credit	3,946,413	*3%*	6,548,876	*5%*
Property (Schroder only)	3,874,482	3%	3,611,733	*3%*
Cash funds	-	-	2,672,289	*2%*
Growth Portfolio	66,622,123	51%	67,867,828	52%
LDI funds	38,977,413	*30%*	36,755,968	28%
UK credit matching	25,243,091	*19%*	25,174,454	20%
Matching Portfolio	64,220,504	49%	61,930,422	48%
TOTAL PORTFOLIO	130,842,627	*100%*	129,798,250	*100%*

INVESTMENTS (continued)

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

Investment Fund	£	%
MERCER UK CREDIT FUND	£25,243,091	17.9%
MERCER LIQUID ALTERNATIVE STRATEGIES FUND	£12,939,119	9.2%
MERCER FLEX LDI £ FIXED ENHCD MATCHING FUND 2	£11,690,279	8.3%
MGI UK LONG GUILT FUND	£11,497,540	8.1%
MERCER EMERGING MARKETS EQUITY FUND	£8,397,417	6.0%
MERCER FLEX LDI £ FIXED ENHCD MATCHING FUND 3	£7,809,575	5.5%
MERCER FUNDAMENTAL INDEXATION GLOBAL EQUITY HEDGED	£7,679,499	5.4%

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 Mercer use single-swing pricing funds, and as such moving in to or out of the funds does not incur explicit costs. Indirect transaction costs incurred by entering or exiting these pooled funds depend on the direction of the swing on the day a transaction is made i.e. by allowing the net value of disinvestments / investments from all investors on a particular day to affect whether the price on the day swings lower (to account for a net sale of the underlying securities), or higher (to account for net purchases of the underlying securities).These amounts are 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 $998,800 (2017: $1,634,400) remaining as uncalled capital. At 30 April 2018 this is equivalent to £725,129 (2017: £1,262,180).

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:	**2018**	2017
	£	£
Scottish Widows	**130,497**	122,573
Prudential	**65,787**	81,240
	196,284	203,813

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 c. £62 million to c. £64 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.

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.

At year-end, the Plan's target investment strategy is as follows:

- 48.9% 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.

- 51.1% 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		X
Global Low Volatility Equity (Hedged)	Growth		X		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

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 invests are denominated or priced in a foreign currency.
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's year end amounted to £50.1m (2017: £49.8m).

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 49.2% of the total investment portfolio (2017: 47.7%). The Trustee holds these assets as part of its LDI investment strategy, under this strategy, if interest rates fall, the value of LDI investments are expected to rise to help offset (to a certain extent) the increase in actuarial value of liabilities which will also increase if interest rates fall (all else equal). Conversely, if interest rates rise, the LDI investments are expected to fall in value, as will the actuarial value of 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 £35.2m which was 53.1% of growth portfolio and 27.0% of total assets (30 April 2017: £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 51.1% of the total investment portfolio as at 30 April 2018. 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 50.8% of the total investment portfolio (30 April 2017: 52.3%).

(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, managed by Mercer, used by the Plan comprise collective investment schemes incorporated as limited liability variable capital companies as well as an open-ended umbrella common contractual fund. These are authorised by the Central Bank of Ireland. The Plan's holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustee manages and monitors the credit risk arising from its pooled investment arrangements by considering the nature of the pooled fund vehicles, 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 and custodian.

The Schroder UK Real Estate Fund is an open ended investment company which is a Property Authorised Investment Fund (PAIF) and is authorised by the Financial Conduct Authority.

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, Schroders Property Fund, Private Investment Partners III – Private Debt and UK Cash Fund. The value of these assets at Plan year end amounted to £35.8m which was 53.9% of growth portfolio and 27.4% of total assets (30 April 2017: £32.9m which was 48.5% of growth portfolio and 25.4% 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 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.

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

2018

Investment	**Level 1** **£**	**Level 2** **£**	**Level 3** **£**	**Total** **£**
Pooled investment vehicles:				
- Mercer	-	111,018,813	15,949,332	126,968,145
- Schroders	-		3,874,482	3,874,482
Insurance policies	-	-	9,435,000	9,435,000
AVC investments	-	-	196,284	196,284
Cash in transit	2,698	-	-	2,698
	2,698	111,018,813	29,455,098	140,476,609

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

11. DEBTORS

Sundry Debtors	2018 £	2017 £
Participating Employers' contributions receivable (net of provision)	**150,078**	131,154
Investment income receivable	**9,455**	11,330
Prepayments	**-**	10,608
Due from YMCA Group Life Scheme	**7,850**	-
Funds held by Xafinity	**1,230**	1,230
	168,613	154,322

Of the contributions due for the year ended April 2018, £27,755 remains outstanding as of September 2018. A general provision of £226,599 (2017: £212,722) has been made for non-payment of contributions due by Participating Employers.

The Pension Plan is reimbursed for administration fees paid on behalf of the YMCA Group Life Scheme.

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

	2018 £	2017 £
Transfers out	**236,790**	-
Lump sum retirement benefits payable	**6,931**	58,861
Death benefits payable	**6,393**	11,254
Pension payments payable	**3,421**	4,010
	253,535	74,125

12.2 Sundry Creditors

	2018 £	2017 £
Xafinity service charges payable	**39,720**	7,428
Legal fees payable	**16,063**	14,335
Auditor's fees payable	**11,000**	10,740
Contribution refunds due to Participating Employers	**8,256**	12,138
Pension Protection Fund Levy payable	**8,000**	6,000
Office costs	**3,003**	-
Participating Employer contributions received in advance	**722**	698
Managers fees payable	**223**	231
	86,987	51,570

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 2018 received prior to 30 April 2018.

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 APRIL 2018

13. RELATED PARTY TRANSACTIONS

The sponsoring employer, National Council of Young Men's Christian Associations (Incorporated), received £106,350 (2017: £116,703) 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 £7,850 (2017: £7,750) 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 69 occasions during the year, Participating Employers paid contributions later than the due date specified in the schedule of contributions. In addition, there were 24 occasions where Participating Employers did not contribute to the Plan. These late and non-payments of contributions represent 9% of the number of contributions receivable (2017: 84 occasions representing 8% 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
Cumbernauld YMCA	-	1	-
Hastings & Rother YMCA (in dispute)	-	-	12
Huddersfield YMCA (in dispute)	-	-	12
North London YMCA	1	-	-
Ripon YMCA	1	-	-
YMCA Downslink Group	1	-	-
YMCA Northumberland	1	-	-
NUMBER	4	1	24

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 YMCA and Hastings & Rother YMCA with regard to payment. The last member from Dumfries YMCA left the scheme during the year and the association is refusing to make any further payments to the 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 Plan")

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 2018 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 18 January 2018	Due payment dates
Total contributions will be £3.038m per annum payable from 1 May 2018 and increasing by 3% 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 regular expected administrative expenditure, including all Plan Levies, are met directly by separate employer contributions and are accordingly not shown on the 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.

xafinity
PART OF XAFINITY PUNTER SOUTHALL

Schedule of Contributions

Employers

Name: M. HOUGHTON - BROWN

Position: TRUSTEE

Signature: [signature] Date: 31/5/18.

For and on behalf of all participating employers

Trustee

Name: PAUL SMILLIE

Position: ~~Trustee~~ COMPANY SECRETARY

Signature: [signature] Date: 31/5/18

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: [signature] Date: 18.1.18

xafinity
PART OF XAFINITY PUNTER SOUTHALL

Certification of Schedule of Contributions

The YMCA Pension and Assurance Plan ("the 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 2017 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 18 January 2018.

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	C S Price	**Date**	18.1.18
Name	Colin Stewart Price	**Qualification**	Fellow of the Institute and Faculty of Actuaries
Address	Phoenix House 1 Station Road Reading Berks RG1 1NB	**Employer**	Xafinity 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 2017. This showed that on that date:

The value of the Technical Provisions was:	£174,800,000
The value of the assets at that date was:	£141,200,000

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	Actuarial Valuation as at 1 May 2017
Discount rate		
- Before retirement	5.35%	3.75%
- After retirement	3.85%	2.25%
Pension Increases		
- LPI max 5% min 3%	3.55%	3.60%
- LPI max 5%	3.30%	3.35%
Deferred Pension Revaluation	2.80%	2.90%
Mortality	SAPS S2PxA CMI 2016 (previously 2013) 1.5% long-term improvement	

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.