

Company Registered Number 1197478

Charity Registered Number 269158

LONDON CYRENIANS HOUSING LIMITED

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2009



LONDON CYRENIANS HOUSING LIMITED

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LONDON CYRENIANS HOUSING LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

STATUS	Company limited by guarantee without share capital and registered as a charity
REGISTERED OFFICE	181 Kensington High Street London W8 6SH
HONORARY OFFICERS	Stephen Bashorun (Chair) Richard McIvor (Treasurer) James McNicholas (Secretary)
BANKERS	Barclays Bank plc West London Team PO Box 1355 Acorn House 36/38 Park Royal Road London BX3 2BB
AUDITORS	Nexia Smith & Williamson Chartered Accountants 25 Moorgate London, EC2R 6AY
ACCOUNTANTS & FINANCIAL ADVISERS	Smith & Williamson 25 Moorgate London, EC2R 6AY
SOLICITORS	Trowers & Hamlins Fiona Campbell Oliver Fisher
COMPANY REGISTERED NUMBER	1197478
CHARITY REGISTERED NUMBER	269158
REGISTERED SOCIAL LANDLORD NUMBER	LH4377

**REPORT OF THE COUNCIL OF MANAGEMENT
for the year ended 31 March 2009**

The Council of Management presents its report and accounts for the year ended 31 March 2009. The balance sheet and income and expenditure account are included later in this report.

Activities

The principal activity of the Company is the provision of housing, support and care to single vulnerable people with a range of complex needs.

Public Benefit

In setting our objectives and planning our activities we have given careful consideration to the Charity Commissioner's general guidance on public benefit. All our activities are undertaken in furtherance of our charitable purposes which are for the public benefit as described above.

Review of Affairs

The past year has been successful one for London Cyrenians. In collaboration with another leading housing association the Company was awarded a major contract commencing September 2009 to provide a supported housing service for people with learning disabilities and forensic mental health needs. This is an exciting opportunity to develop a new business activity with excellent potential.

The Company was also awarded a contract to provide a 24 hour supported housing service for 15 young people with complex needs. The project is accommodated in a period house refurbished to a very high standard.

A long term lease has been secured on a 15 bedroom property providing accommodation for service users requiring medium support.

We have continued to develop our infrastructure and improve the quality and range of our services. In particular we have focused on:

- Investing in service user empowerment
- Training and developing staff
- Increasing the percentage of staff deployed on front line duties
- Investing in computerised systems for improved efficiency and effectiveness as well as performance monitoring
- Developing staff and systems in readiness for the introduction of Individual Service Funds
- Developing new services in line with our strategic objectives

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 MARCH 2009 (continued)

The financial targets for the year have been met and tight control has been exercised over expenditure and accounts receivable. The resulting savings have been reinvested in our front line services.

We have also undertaken a pilot scheme to prepare the organisation for the advent of Individual Service Funds and Personal Budgets which included a consultation exercise with a representative group of service users. We are in the process of modifying our systems and training staff in readiness for the personalisation contracts.

The Council of Management is pleased to report that maximum resources continue to be targeted at front line services supported by an efficient central team with the capacity to develop and expand. We are constantly seeking opportunities to improve and enhance our services to clients and feedback from service users is carefully considered and reflected in our activities and decision making.

Risk Management

The Company operates a formal risk management system for assessing business risks utilising appropriate risk management strategies. As part of LCH's business planning process, the Council of Management:

- Reviews and updates its risk management assessment policies and procedures in line with a published timetable.
- Updates the risk register providing dates and details of actions to be undertaken to reduce risk. This involves reviewing the types of risk LCH faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.
- Maintains a range of appropriate insurance policies.
- Satisfies themselves that LCH's internal financial controls comply in all material respects with the guidelines issued by the Tenant Services Authority.

Level of Reserves

In line with best practice LCH seeks to maintain unrestricted reserves at a level that is prudent and sufficient to ensure the Company's current and planned future activities can be operated effectively and to enable any unexpected financial interruption to be satisfactorily managed. No more than 10% of income in any one year is used to increase unrestricted reserves which is a requirement of certain funders. To satisfy these policy objectives LCH aims to maintain its designated and general reserves at a level equivalent to six months projected income which equates to the usual notice period in our operational contracts.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 MARCH 2009 (continued)

Council of Management

Council of Management members (Directors and Trustees of the Charity) are appointed following an open recruitment process, meetings with senior members of staff, attendance as observers at three board meetings and an interview with the LCH Chair, all in accordance with LCH's written procedures. The following served during the period:

S. Bashorun	H. Maxwell
G. Bowman	Dr B. Punukollu
A. Diggle	D. Piggan
P. Gantley	J. Ridley
D. Howard	H. Rose – resigned 31 January 2009
R. McIvor	C. Thompson
S. Manifold	P. Vinson
S. Martin – resigned 11 August 2008	H. Wijeweera – appointed 11 June 2009

All members of the Council of Management are members of the Company and guarantee to contribute to the assets of the Company, in the event of it being wound up, such amounts as may be required not exceeding £1. The number of guarantees at 31 March 2009 was 13 (2008 – 14). Members of the Council of Management have no beneficial interest in the Company and are not remunerated. They are indemnified by the Company against legal action arising in the course of their duties.

Auditors

A resolution to re-appoint Nexia Smith & Williamson as auditors to the Company will be submitted to the Annual General Meeting in September 2009.



Stephen Bashorun
Chair

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES WITH RESPECT TO THE ACCOUNTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2008. They are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nexia Smith & Williamson

Independent auditors' report to the members of London Cyrenians Housing Limited

We have audited the accounts of London Cyrenians Housing Limited for the year ended 31 March 2009 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 19. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with the requirements of statute. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and auditors

As described in the Statement of the Board's Responsibilities, the Company's board are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards and the relevant Statement of Recommended Practice.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2008. We report to you whether in our opinion the information given in the Board Report is consistent with the accounts. We also report to you if, in our opinion the Company has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

We read the Board Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view of the state of the Company's affairs as at 31 March 2009 and of its income and expenditure for the year then ended;
- the accounts have been properly prepared in accordance with Companies Act 1985 and Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords Determination 2008; and
- the information given in the Report of the Council of Management is consistent with the accounts.

Nexia Smith & Williamson

Nexia Smith & Williamson
Chartered Accountants
Registered Auditors

25 Moorgate
London
EC2R 6AY

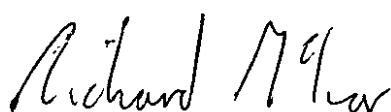
Date 19 August 2009

LONDON CYRENIANS HOUSING LIMITED

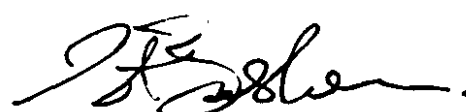
INCOME AND EXPENDITURE ACCOUNT for the year ended 31 MARCH 2009

	Notes	2009 Before exceptional items £	2009 Exceptional items £	2009 After exceptional items £	2008 £
Turnover	1	7,139,916	600,559	7,740,475	7,009,507
Operating costs		(7,629,449)	-	(7,629,449)	(7,023,142)
Operating (deficit) / surplus	2	(489,533)	600,559	111,026	(13,635)
Interest receivable & other income	3	230,698	-	230,698	247,305
Revaluation of investments	1 & 19	(43,153)	-	(43,153)	-
(Deficit)/surplus for the year on ordinary activities		(301,988)	600,559	298,571	233,670

There were no recognised gains or losses other than the surplus for the year. All operations are classified as continuing.



Richard McIvor, Treasurer



Stephen Bashorun, Chair

LONDON CYRENIANS HOUSING LIMITED

BALANCE SHEET as at 31 MARCH 2009

	Notes	2009 £	2008 £
Fixed assets			
Housing properties	7	3,133,096	3,133,096
Less: depreciation		(1,483,562)	(1,238,572)
		<hr/> 1,649,534	<hr/> 1,894,524
Investments			
Investments	19	197,871	241,024
		<hr/> 1,847,405	<hr/> 2,135,548
Total fixed assets			
Current assets			
Debtors	8	167,240	244,088
Cash at bank and in hand		5,999,388	5,140,327
		<hr/> 6,166,628	<hr/> 5,384,415
Creditors: amounts falling due in less than one year	9	(4,512,532)	(4,317,033)
		<hr/> 1,654,096	<hr/> 1,067,382
Net current assets			
		<hr/> 3,501,501	<hr/> 3,202,930
Net assets			
Capital and reserves			
Designated reserves	10	1,420,195	1,420,195
General reserves	11	1,197,814	798,273
Acquisition reserve	12	883,492	984,462
		<hr/> 3,501,501	<hr/> 3,202,930

These financial statements were approved by the Council of Management on 23rd July 2009 and were signed on its behalf by:


Richard McIvor, Treasurer

Stephen Bashorun, Chair

LONDON CYRENIANS HOUSING LIMITED**CASHFLOW STATEMENT for the year ended 31 MARCH 2009**

	Notes	2009 £	2008 £
Net cash inflow from operating activities	13	642,346	921,760
Returns on investments and servicing of finance			
Interest received		216,715	244,165
		<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of finance		859,061	1,165,925
		<hr/>	<hr/>
Net cash inflow before financing		859,061	1,165,925
Financing			
Loan repayments		-	(126,664)
		<hr/>	<hr/>
Increase in cash in the period	15	859,061	1,039,261
		<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2009

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the accounts of the Company.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and comply with the Statement of Recommended Practice "Accounting by Registered Social Landlords" (2008) (the "SORP").

Turnover

Charges to residents and income from investments are included in the Income and Expenditure account in the year in which they are receivable.

Voluntary income is received by way of donation and gifts and is included in full in the Income and Expenditure account when received unless it is provided for a specific purpose in which case it is recognised in the Income and Expenditure account in the relevant period.

Revenue grants including Supporting People, are credited to the Income and Expenditure account when received, unless another future period is appropriate, in which case they are recognised in the Income and Expenditure account of that period.

Legacies are recognised at the date on which the solicitors acting for the estate confirm that an amount will be payable.

Fixed assets and depreciation

The capital cost of housing properties includes the purchase price and alteration works but not associated professional fees which are written off as incurred. Housing properties are stated at cost less capital grants and capital donations and less any provision for any diminution in value, and less depreciation.

Fixed assets are depreciated at varying rates in order to write off the cost less estimated residual value of the assets over their useful economic lives. The useful lives are estimated as follows:

Freehold property	-	10 years
Office furniture & equipment	-	1 to 3 years
Hostel furniture & equipment	-	1 to 3 years
Motor vehicles	-	3 years

Value added tax

The Company is not registered for VAT purposes and expenditure is shown gross of any value added tax.

Pension costs

The Company contributes to certain employees' personal pension plans on a defined contribution basis. Contributions are also made to the pension scheme of certain employees in accordance with their rights under TUPE. The pension cost charge represents the contributions payable under the scheme by the

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2009 (continued)

1. Accounting policies (continued)

Company to the fund. The Company has no liability under the scheme other than for the payment of those contributions.

Designations

Designated reserves are unrestricted reserves earmarked by the Council of Management for particular purposes. This policy is consistent with those operated by other registered charities but varies from the Statement of recommended Practice "Accounting by Registered Social Landlords" (2008) (the "SORP"). The designations are as follows:-

- Contractual obligations to employees: funds to meet contractual obligations regarding maternity, redundancy, pensions or long term sickness not covered by the Group Health Scheme.
- Property sinking fund: fund to ensure that the property the company owns and existing schemes which are ageing are maintained and kept up to new standards of Health and Safety and security. It is also provided to cover works not covered by the Company's cyclical programme.
- New developments: fund to ensure that LCH is in a position to bid for and provide new schemes and innovative services in accordance with the 5 year plan.
- Property fund: the fund which resources the purchase and development of property within the aims of the company.

Provisions

The Company only provides for contractual liabilities.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Valuation of investments

Investments are stated at cost less provision for diminution in value.

2	(Deficit)/surplus for the year	2009	2008
	is stated after charging:-	£	£
	Depreciation – housing properties	244,990	175,622
	Auditors' remuneration – audit services	18,484	15,500
	Council of Management's expenses	685	34
	Rent of land and buildings	94,400	150,385
		<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2009 (continued)

3	Interest receivable and other income	2009	2008
		£	£
	Bank interest	85,360	64,588
	Charity deposit	139,022	182,717
	Dividends from investments	6,316	-
		<hr/>	<hr/>
		230,698	247,305
		<hr/>	<hr/>

4	Directors' emoluments	2009	2008
		£	£
	The aggregate emoluments paid to or receivable by Directors	381,443	392,142
	The emoluments paid to the highest paid director of the Company excluding pension contributions	<hr/> 80,342	<hr/> 78,421
	Pension contributions payable for directors	22,887	23,529
	Executive director's pension arrangements	<hr/> 4,821	<hr/> 4,705

The directors of the Company do not receive any remuneration and the above amounts relate solely to the Senior Management Team.

5	Employee information	2009	2008
		No.	No.
	The average weekly number of persons (including the Executive Director) employed during the year: (full time equivalents)	190	179
		<hr/>	<hr/>
	Staff costs (for the above persons)	£	£
	Wages and salaries	5,032,177	4,328,470
	Social security costs	478,836	440,321
	Pension costs	121,162	106,017
		<hr/>	<hr/>
		5,632,175	4,874,808
		<hr/>	<hr/>

6 Taxation status

The Company has charitable status for taxation purposes.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2009 (continued)

7	Housing properties		Total £
	Cost		
	At 1 April 2008		3,133,096
	Additions		-
			<hr/>
	At 31 st March 2009		3,133,096
			<hr/>
	Depreciation		
	At 1 April 2008		1,238,572
	Provided during the year		244,990
			<hr/>
	At 31 March 2009		1,483,562
			<hr/>
	Net book value		
	At 31 March 2009		1,649,534
			<hr/>
	At 31 March 2008		1,894,524
			<hr/>
8	Debtors	2009 £	2008 £
	Gross arrears of charges to residents and other statutory bodies	128,668	123,138
	Less provision for bad debts	(57,484)	(57,485)
		<hr/>	<hr/>
		71,184	65,653
	Revenue grants receivable	63,736	146,503
	Other debtors	32,320	31,932
		<hr/>	<hr/>
		167,240	244,088
		<hr/>	<hr/>
9	Creditors	2009 £	2008 £
	Amounts falling due within one year:		
	Trade creditors	97,232	39,910
	Residents' charges in advance	59,061	46,470
	Other creditors	478,654	434,485
	Accruals and deferred income	3,877,585	3,796,168
		<hr/>	<hr/>
		4,512,532	4,317,033
		<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2009 (continued)

10 Unrestricted reserves

Designated reserves	Contractual to employees £	Property sinking fund £	New Development £	Property fund £	Total £
At 1 April 2008 and at 31 March 2009	146,500	550,000	300,000	423,695	1,420,195

11 General reserve

	General Reserve £
At 1 April 2008	798,273
Operating deficit for the year excluding exceptional items	(301,988)
Exceptional items	600,559
Transfer from Acquisition reserve	100,970
At 31 March 2009	1,197,814

12 Acquisition reserve

	Acquisition Reserve £
Reserve arising on the transfer of Morpeth Society Housing Association:	
At 1 April 2008	984,462
Transfer to general reserve	(100,970)
At 31 March 2009	883,492

**13 Reconciliation of operating surplus/(deficit) to net cash inflow
from operating activities**

	2009 £	2008 £
Operating surplus/(deficit)	111,026	(13,635)
Depreciation	244,990	175,622
Decrease in debtors excluding interest and dividend accruals	90,831	40,210
Increase in creditors	195,499	719,563
	642,346	921,760

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2009 (continued)

14 Analysis of change in net debt

	At 1 April 2008 £	Cashflow £	At 31 March 2009 £
Cash at bank and in hand	5,140,327	859,061	5,999,388
	<hr/>	<hr/>	<hr/>
	5,140,327	859,061	5,999,388
	<hr/>	<hr/>	<hr/>

15 Reconciliation of net cashflow to movement in net debt

	2009 £	2008 £
Increase in cash in the year	859,061	1,039,261
Cash outflow from decrease in debt	-	126,664
	<hr/>	<hr/>
Change in net funds resulting from cash flows	859,061	1,165,925
Net funds at 1 April 2008	5,140,327	3,974,402
	<hr/>	<hr/>
Net funds at 31 March 2009	5,999,388	5,140,327
	<hr/>	<hr/>

16 Housing units at end of year – supported housing

	2009 Units	2008 Units
Owned	107	119
Managed	138	127
	<hr/>	<hr/>
	245	246
	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2009 (continued)

17 Operating leases

The Company holds properties and office equipment under non-cancellable operating leases.
At 31 March 2009 the Company had annual commitments under those lease terms as follows:

	2009	2008
	£	£
Leases expiring under one year	22,085	-
Leases expiring between one and five years	35,603	91,588
Leases expiring after more than five years	215,432	215,432
	<hr/>	<hr/>
Total	273,120	307,020
	<hr/>	<hr/>

18 Exceptional item

Represents the write back of prior years' provisions no longer required.

19 Investments

	£
At 1 April 2008	241,024
Reduction in value during the year	<u>(43,153)</u>
At 31 March 2009	<hr/> 197,871

Represents investments held in unit trusts and other securities which are retained as a long term investment.