

Company Registered Number 1197478

Charity Registered Number 269158

LONDON CYRENIANS HOUSING LIMITED

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2008

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LONDON CYRENIANS HOUSING LIMITED

CONTENTS	Pages
Contents	1
Legal and administrative details	2
Report of the Council of Management	3–5
Statement of Directors' responsibilities with respect to the accounts	6
Independent auditors' report	7
Income and expenditure account	8
Balance sheet	9
Cash flow statement	10
Notes to the accounts	11 – 18

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

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT For the year ended 31 March 2008

The Council of Management presents its report and accounts for the year ended 31 March 2008. 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.

Review of Affairs

During the year we have continued to build on our strengths and infrastructure. We have:

- Invested in service user empowerment, personnel, systems and structures
- Increased the percentage of staff who are service workers or cover
- Invested in computerised systems to monitor and track the success of our skills plans
- Employed central specialists in HR, Project Development and Individual Service Fund planning
- Reviewed our practices with a critical eye, reviewed our service models and refined our operational policies
- Developed new services in line with our strategic objectives
- Installed a new maintenance system which is being used to improve the efficiency of our maintenance processes, control costs, and provide high specification accommodation for our service users
- Met our financial targets and exercised tight control over our expenditure and accounts receivable, allowing the savings to be diverted to our front line services.

In the course of the year a group of West London boroughs introduced a procurement process for letting their Supporting People contracts. The tender procedure was conducted on a national basis and a large number of organisations participated. At the end of the process a "preferred suppliers list" was produced by the boroughs and London Cyrenians was included in line with our planned and prudently measured formula for growth. This enables London Cyrenians to develop proportionately in the knowledge that our infrastructure is able to meet the increased demands. Appointment to the "preferred suppliers list" is an important development for the Company as it means that London Cyrenians will have opportunities to secure future contracts and expand existing ones.

At the end of 2007, agreement was reached with Morpeth Society Housing Association to transfer their organisation to London Cyrenians so they would benefit from being part of a

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 MARCH 2008 (continued)

larger and more diverse company. The transfer was completed smoothly and all parties were very satisfied with the outcome. Two directors of Morpeth have joined London Cyrenians Council of Management.

The Council of Management is pleased to report that maximum resources continue to be targeted at front line services backed up 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 fully reflected in our activities and decision making.

Risk Management

The Company operates a formal risk management system for assessing business risks and implementing 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 LCH's published review timescale
- 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.
- Arranges for a range of appropriate insurance policies to be maintained
- Satisfies themselves that LCH's internal financial controls comply in all material respects with the guidelines issued by the Housing Corporation

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 three months projected average expenditure payments.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 MARCH 2008 (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 procedure. The following served during the period

S. Bashorun	S. Martin
G. Bowman	H. Maxwell – appointed 1 January 2008
A. Diggle – appointed 1 January 2008	D. Piggin
P. Gantley	J. Ridley
D. Howard	H. Rose
R. McIvor	C. Thompson
S. Manifold	P. Vinson

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 2008 was 14 (2007 – 12). 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 by an insurance policy operated by the National Housing Federation.

Auditors

A resolution to re-appoint Nexia Smith & Williamson as auditors to the Company will be submitted to the Annual General Meeting in September 2008.

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 2006. 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 2008 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20. 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 2006. 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 2008 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 2006, 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 25 July 2008

LONDON CYRENIANS HOUSING LIMITED

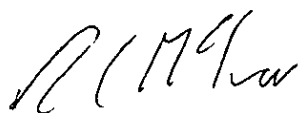
INCOME AND EXPENDITURE ACCOUNT for the year ended 31 MARCH 2008

	Notes	2008 Before exceptional items £	2008 Exceptional items £	2008 After exceptional items £	2007 £
Turnover	1	6,619,501	390,006	7,009,507	6,321,503
Operating costs		(7,023,142)	-	(7,023,142)	(6,194,169)
Operating (deficit) / surplus	2	(403,641)	390,006	(13,635)	127,334
Interest receivable	3	247,305	-	247,305	134,548
(Deficit)/surplus for the year on ordinary activities		(156,336)	390,006	233,670	261,882

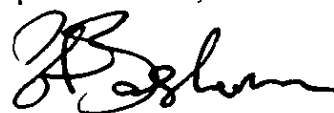
There were no recognised gains or losses other than the surplus for the year. All operations are classified as continuing.

Morpeth Society Housing association Ltd transferred its activities to London Cyrenians Housing as at 31 December 2007. As the income and expenditure of this operation was immaterial in the period 1 January to 31 March 2008, separate disclosure has not been made.

Richard McIvor, Treasurer



Stephen Bashorun, Chair



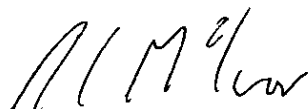
LONDON CYRENIANS HOUSING LIMITED

BALANCE SHEET as at 31 MARCH 2008

	Notes	2008 £	2007 £
Fixed assets			
Housing properties	7	3,133,096	2,208,200
Less depreciation		(1,238,572)	(1,062,950)
		<hr/>	<hr/>
		1,894,524	1,145,250
		<hr/>	<hr/>
Investments			
Investments	20	241,024	-
		<hr/>	<hr/>
Total fixed assets		<hr/>	<hr/>
		2,135,548	1,145,250
		<hr/>	<hr/>
Current assets			
Debtors	8	244,088	264,411
Cash at bank and in hand		5,140,327	4,101,066
		<hr/>	<hr/>
		5,384,415	4,365,477
		<hr/>	<hr/>
Creditors: amounts falling due in less than one year	9	(4,317,033)	(3,436,242)
		<hr/>	<hr/>
Net current assets		1,067,382	929,235
		<hr/>	<hr/>
Total assets less current liabilities		<hr/>	<hr/>
		3,202,930	2,074,485
		<hr/>	<hr/>
Creditors: amounts falling due after one year	9	-	(114,930)
		<hr/>	<hr/>
Net assets		3,202,930	1,959,555
		<hr/>	<hr/>
Capital and reserves			
Designated reserves	10	1,420,195	1,420,195
General reserves	11	798,273	539,360
Acquisition reserve	12	984,462	-
		<hr/>	<hr/>
		3,202,930	1,959,555
		<hr/>	<hr/>

These financial statements were approved by the Council of Management on 24 July 2008 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 2008**

	Notes	2008 £	2007 £
Net cash inflow from operating activities	13	921,760	1,130,694
Returns on investments and servicing of finance			
Interest received		244,165	134,548
Starter Homes loan		-	20,000
Starter Homes grant		-	(20,000)
		<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of finance		1,165,925	1,265,242
		<hr/>	<hr/>
Net cash inflow before financing		1,165,925	1,265,242
Financing			
Loan repayments		(126,664)	(11,761)
		<hr/>	<hr/>
Increase in cash in the period	15	1,039,261	1,253,481
		<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2008

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 with special regard to the Statement of Recommended Practice "Accounting by Registered Social Landlords" (Update 2005) (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

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2008 (continued)

1 Accounting policies (continued)

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 right under TUPE. The pension cost charge represents the contributions payable under the scheme by the 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. The designations are as follows -

- Contractual obligations to employees fund 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

Starter Home Schemes

The Company has received funds from the Government to on-lend to employees to assist them with the purchase of a home. The amounts received and then lent are shown on the face of the balance sheet. The loan to the purchaser is treated as a fixed asset investment at cost and the grant is offset against the fixed asset investment.

2 (Deficit)/Surplus for the year	2008	2007
is stated after charging -	£	£
Depreciation – housing properties	175,622	175,600
Auditors' remuneration – audit services	15,500	16,064
Council of Management's expenses	34	-
Rent of land and buildings	150,385	158,596

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2008 (continued)

3	Interest receivable	2008 £	2007 £
	Bank interest	64,588	34,127
	Charity deposit	182,717	100,421
		<hr/>	<hr/>
		247,305	134,548
		<hr/>	<hr/>
4	Directors' emoluments	2008 £	2007 £
	The aggregate emoluments paid to or receivable by Directors	392,142	344,979
	The emoluments paid to the highest paid director of the Company excluding pension contributions	<hr/> 78,421	<hr/> 73,253
	Pension contributions payable for directors	23,529	20,699
	Chief executive pension arrangements	<hr/> 4,705	<hr/> 4,395
	The directors of the Company do not receive any remuneration and the above amounts relate solely to the Senior Management Team		
5	Employee information	2008 No.	2007 No.
	The average weekly number of persons (including the Executive Director) employed during the year (full time equivalents)	179	169
		<hr/>	<hr/>
	Staff costs (for the above persons)	£	£
	Wages and salaries	4,328,470	3,938,843
	Social security costs	440,321	394,435
	Pension costs	106,017	94,081
		<hr/>	<hr/>
		4,874,808	4,427,359
		<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 2008 (continued)

7	Housing properties		Total £
	Cost		
	At 1 April 2007		2,208,200
	Additions		924,896
			<hr/>
	At 31 st March 2008		3,133,096
			<hr/>
	Depreciation		
	At 1 April 2007		1,062,950
	Provided during the year		175,622
			<hr/>
	At 31 March 2008		1,238,572
			<hr/>
	Net book value		
	At 31 March 2008		1,894,524
			<hr/>
	At 31 March 2007		1,145,250
			<hr/>
8	Debtors	2008 £	2007 £
	Gross arrears of charges to residents and other statutory bodies	123,138	138,406
	Less provision for bad debts	(57,485)	(57,166)
		<hr/>	<hr/>
		65,653	81,240
	Revenue grants receivable	146,503	123,390
	Other debtors	31,932	59,781
		<hr/>	<hr/>
		244,088	264,411
		<hr/>	<hr/>
9	Creditors	2008 £	2007 £
	Amounts falling due within one year		
	Bank loan	-	11,734
	Trade creditors	39,910	42,905
	Residents' charges in advance	46,470	56,701
	Other tax and social security	-	135,129
	Other creditors	434,485	148,944
	Accruals and deferred income	3,796,168	3,040,829
		<hr/>	<hr/>
		4,317,033	3,436,242
		<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2008 (continued)

9	Creditors (continued)			2008	2007
				£	£
	Creditors: amounts falling due after more than one year				
	Bank loan			-	114,930
				<hr/>	<hr/>
	The loan, which was secured by a specific charge against a Company property, was repaid in full during the year				
10	Unrestricted reserves				
	Designated reserves	Contractual obligations to employees	Property sinking fund	New developments	Property fund
		£	£	£	£
	At 1 April 2007 and at 31 March 2008	146,500	550,000	300,000	423,695
		<hr/>	<hr/>	<hr/>	<hr/>
11	General reserve				General Reserve
					£
	At 1 April 2007				539,360
	Operating deficit for the year excluding exceptional items				(156,336)
	Exceptional items				390,006
	Transfer from Acquisition reserve				25,243
					<hr/>
	At 31 March 2008				798,273
					<hr/>
12	Acquisition reserve				Acquisition Reserve
	Reserve arising on the transfer of Morpeth Society Housing Association				£
	At 1 April 2007				-
	Arising on acquisition				1,009,705
	Transfer to general reserve				(25,243)
					<hr/>
	At 31 March 2008				984,462
					<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2008 (continued)

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

	2008 £	2007 £
Operating (deficit)/surplus	(13,635)	127,334
Depreciation	175,622	175,600
Decrease in debtors	40,210	70,118
Increase in creditors	719,563	757,642
	<hr/>	<hr/>
	921,760	1,130,694
	<hr/>	<hr/>

14 Analysis of change in net debt

	At 1 April 2007 £	Cashflow £	At 31 March 2008 £
Cash at bank and in hand	4,101,066	1,039,261	5,140,327
Loans due within one year	(11,734)	11,734	-
Loans due after more than one year	(114,930)	114,930	-
	<hr/>	<hr/>	<hr/>
	3,974,402	1,165,925	5,140,327
	<hr/>	<hr/>	<hr/>

15 Reconciliation of net cash flow to movement in net debt

	2008 £	2007 £
Increase in cash in the year	1,039,261	1,253,481
Cash outflow from decrease in debt	126,664	11,761
	<hr/>	<hr/>
Change in net funds resulting from cash flows	1,165,925	1,265,242
Net funds at 1 April 2007	3,974,402	2,709,160
	<hr/>	<hr/>
Net funds at 31 March 2008	5,140,327	3,974,402
	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2008 (continued)

16 Housing units at end of year – supported housing

	2008 Units	2007 Units
Owned	119	112
Managed	127	117
	<hr/>	<hr/>
	246	229
	<hr/>	<hr/>

17 Operating leases

The Company holds properties and office equipment under non-cancellable operating leases
At 31 March 2008 the Company had annual commitments under those lease terms as follows

	2008 £	2007 £
Leases expiring under one year	-	-
Leases expiring between one and five years	91,588	57,688
Leases expiring after more than five years	215,432	212,432
	<hr/>	<hr/>
Total	307,020	270,120
	<hr/>	<hr/>

18 Exceptional item

Represents the write back of prior year provisions no longer required

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2008 (continued)

19 Morpeth Society Housing Association Limited

On 1 January 2008 Morpeth Society Housing Association Limited transferred the whole of its operation to London Cyrenians Housing for no consideration in order to benefit from being part of a larger more diverse organisation. The assets and liabilities transferred have been accounted for using the acquisition method of accounting.

	Book Value	Revaluations	Fair Value
	£	£	£
Tangible fixed assets			
Housing properties	924,896	-	924,826
Investments	207,407	33,617	241,024
Net current liabilities	(156,215)		(156,215)
	<hr/>	<hr/>	<hr/>
	976,088	33,617	1,009,705
	<hr/>	<hr/>	<hr/>
Consideration			-
			<hr/>
Reserve arising on acquisition			1,009,705
			<hr/>

The Morpeth Society Housing Association deficit for the period from 1 April 2007 to 31 December 2007 was £238,825 (1 April 2006 to 31 March 2007 £13,623)

20 Investments

	£
At 1 April 2007	-
Investments acquired from Morpeth	241,024
	<hr/>
At 31 March 2008	241,024
	<hr/>

Represents investments held in unit trusts and other securities which are retained as a long term investment and are stated at their acquisition costs