

Amending

Company Registered Number 1197478

Charity Registered Number 269158

London Cyrenians Housing Limited

Report and financial statements

for the year ended

31 March 2021

TUESDAY



AAXX8ZOW

A06

15/02/2022

#111

COMPANIES HOUSE

LONDON CYRENIANS HOUSING LIMITED

CONTENTS	PAGES
Legal and administrative details	2
Report of the Board of Trustees and Strategic Report	3-8
Independent auditor's report	9-12
Income and Expenditure Account	13
Statement of Financial Position	14
Statement of Changes in Equity and Reserves	15
Statement of Cash Flows	16
Notes to the Statement of Cash Flows	17
Notes to the financial statements	18-29

LONDON CYRENIANS HOUSING LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

STATUS	Company limited by guarantee without share capital and registered as a charity
REGISTERED OFFICE	Carlyle House 235-237 Vauxhall Bridge Road London SW1V 1EJ
HONORARY OFFICERS	Stephen Bashorun (Chair) Michael Driver (Chair of Finance C'tte)
BANKERS	Barclays Bank plc Level 27 1 Churchill Place Canary Wharf London E14 5HP
AUDITOR	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
SOLICITORS	Trowers & Hamlins
COMPANY REGISTERED NUMBER	1197478
CHARITY REGISTERED NUMBER	269158
REGISTERED PROVIDER OF SOCIAL HOUSING NUMBER,	LH4377

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2021

The Board of Trustees presents its report and strategic report and the accounts for the year ended 31 March 2021. The Income and Expenditure Account, Statement of Financial Position, Statement of Changes in Equity and Reserves, and Statement of Cash Flows are included later in this report.

Activities

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

Public Benefit

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

Review of Affairs 2021

Introduction

As the green shoots of pandemic recovery tentatively emerge in 2021, we take stock of the financial year just passed. 2020/21 has been an untypical year in that we have chosen not to proactively tender for new services but rather focus on providing staff and service users with continuity and safety in these uncertain times. This was a difficult decision having successfully partaken in market tenders for many years. However, the business of viewing properties, establishing new staff in services, unsettling teams and service users did not sit well with us during such an unparalleled health crisis.

As recovery begins to progress, we will be cautiously reviewing opportunities to develop and grow once more in line with our Strategic Plan. Already we have been shortlisted for a new and innovative mental health service and look forward to working on our response in the year ahead.

Activity

Day Service

We were pleased to add a large day service in Fulham to our services last summer and are undertaking the necessary building improvement works alongside an upgrade for gas, water and electricity to comply with our Green and Sustainability agenda. As a community led organization based in Hammersmith and Fulham for over 50 years, we are pleased that we will be able to create a safe space for our local heroes in health and social care to take part in Yoga, massage, book groups, mindfulness and bridge club.

We also have several interested sponsors who want to work with us to ensure that our "thank you" to those local people who have navigated us so valiantly through the pandemic is ongoing and sustainable. In addition to this we are also planning:

- activities with local BAME groups
- a mentorship program for young people seeking employment.
- music and dance group for people with learning disabilities

In these challenging times we are thrilled to be putting energies into such a positive service for the local people of Hammersmith and Fulham.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2021 (continued)

Hidden Homes

Our strategy to generate revenue from non-statutory sources continues apace under the Hidden Homes Program. We have made good use of surplus back land to one of our Ealing properties and the development in total will enable us to create 6 well-appointed flats for market lets. 100% of the rental income will be used to further improve quality standards for service users, staff and services. These local homes are scheduled to be ready by October 2021.

Operational Investment

Despite the restrictions of the Pandemic, we have continued with our core and essential learning and development plans for staff. We have made significant investment in the Relational Security/Trauma informed service model and used the services of a retained expert to embed and cascade best practice.

All services have been comprehensively risk assessed by our retained health and safety expert with more detailed Covid 19 risk assessments also being undertaken. These are regularly reviewed to include advice circulated from local authorities and central government.

We have also used the year to upgrade and improve our IT and telecommunications systems and have an in-house specialist who, having successfully led on the IT migration, is now focusing on telecommunications. In addition, service users now have greater access to digital communication and our activity in this area continues to grow and develop.

Investing in our properties when it was Covid safe to do so has meant that we can begin to open our services for visits from friends and families with improved outdoor and indoor facilities. Throughout the Pandemic we have continued to invest in regular deep and light cleans to keep our services hygienic, and this has been noted by service user as something to keep for the future. We will continue to invest in developing safe homes where people can relax, recover and enjoy.

Risk and uncertainties in the immediate future

With little change from last years review the risks for the sector in general and for London Cyrenians Housing remain:

- Decline in the value of support contracts
- Impact of Covid 19 in terms of ongoing health and mental health issues for staff and service users
- Reduction of clinical risk sharing

It is our belief that the impact of the virus will create more need for mental health services like ours in the months and years ahead. In order that we are best placed to deliver cost effective services we have made savings, improved systems and enhanced service delivery.

Risk Management

As part of good governance and effective risk management the trustees:

- Comply with the policy and procedures set out in the finance manual.
- Review, rate and mitigate risk as set out in the risk register.
- Maintain adequate insurance cover.
- Work within an internal control framework

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2021(continued)

Disabled Persons

Cyrenians has a positive track record of accommodating various disabilities or conditions in the workplace at all levels within the organization. We have a retained occupational health service who support us to make reasonable adjustments to the working environment where safe and appropriate to do so.

Diversity

Cyrenians has a skilled and diverse workforce at all levels within the organization including our trustees, leadership team, management and frontline staff. We continue to review options and opportunities to support people from all walks of life to take part in the running and management of Cyrenians.

Disabled persons

Fair consideration is given to disabled applicants who seek employment with the Company. The Company will also where appropriate provide training and other support to members of staff who become disabled during their employment.

Employee information

Employees are provided with regular bulletins about the organisation's activities and development plans. Employees also receive briefings through formal and informal Company meetings, staff conference, supervisions, appraisals, and ad hoc meetings and events. The Company values the feedback from its employees which it collects and reviews on a regular basis.

Key performance indicators

The Company's key performance indicators are occupancy, staff turnover and arrears. Performance against these for 2020/21 was as follows:

	2021	2020
Occupancy	92%	88%
Staff turnover	30%	31%
Arrears	4.9%	5.7%

Occupancy levels in 2020/21 were impacted by major works in two properties which involved units being vacant while the work was carried out and replacement service users to be obtained in July 2020. Staff turnover percentage was up compared with last year but this is similar across the sector. Effort is continuously being made to improve the staff turnover. The arrears decrease is due to the fewer units in use during the year.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2021 (continued)

Value for Money Metrics

The following VfM metrics have been calculated as recommended by the Regulator of Social Housing:

- **Reinvestment** – 1.15% (2020: 17.35%) The reinvestment metric in 2021 is driven by The development of the Garden House Flats and the re-development of Halford House during the year. All other expenditure was revenue expenditure on maintenance of our housing stock.
- **New supply delivered** – N/A (2020: 7.21%) There was no addition to the company owned properties during the financial year.
- **Gearing** - London Cyrenians has no borrowing.
- **EBITDA MRI-Interest cover** - London Cyrenians has no borrowing and therefore no interest to cover.
- **Headline social housing cost per unit** - £9,178 (2020: £7,791)
The low cost per unit reflects the stringent cost control measures in place.
- **Operating margin** – (5.96%) (2020: 24.05%)
- **Return on capital employed (ROCE)** – (.096%) (2020: 17.78%)

Due to the unique combination of services benchmark data from other similar organisations may not provide meaningful, comparative information. We do however use data obtained through this method gleaned to inform our decisions.

Level of Reserves

In line with best practice Cyrenians seeks to maintain unrestricted reserves and working capital at a level that is prudent and sufficient to ensure that 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 funder requirement. To satisfy these policy objectives Cyrenians aims to maintain its designated and general reserves at a level equivalent to the proportion of projected income which equates to the usual notice period in our operational contracts.

Disclosure of Information to the Auditor

The Board of Trustees (directors and trustees of the company) who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2021 (continued)

The Board of Trustees are appointed following: an open recruitment process; meetings with senior members of staff; attendance as observers at board meetings; and an interview with the Cyrenians Chair: all these steps are in accordance with Cyrenians' written procedures. The following served during the period:

S. Bashorun	H. Maxwell
A. Diggle	L. Graley(resigned 25.02.2021)
M. Driver	Prof B. Thomas
C. Thompson	J. Ward-Smith
S. Chamberlain	

All members of the Board 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 2021 was nine (2020-9).

Members of the Board 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.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Board is responsible for preparing a Report of the Board of Trustees and Strategic Report and the financial statements in accordance with applicable law and regulations.

The law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the Company's financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit for that period. In preparing these 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 Board 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 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. 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.

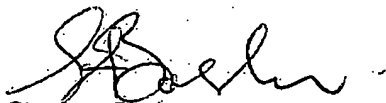
LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2021 (continued)

Auditor

A resolution to re-appoint Moore Kingston Smith as auditor to the Company will be submitted to the Annual General Meeting in September 2021.

This report was approved by the Board of Trustees on 23 September 2021 and signed on its behalf by:



Stephen Bashorun
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON CYRENIANS HOUSING LIMITED

Opinion

We have audited the financial statements of London Cyrenians Housing Limited ('the company') for the year ended 31 March 2021 which comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Changes in Equity and Reserves, the Statement of Cash Flows and the 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 FRS 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:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- Have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019

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 charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

[Insert where no material misstatements have been identified in the strategic report, if separately prepared, or trustees' annual report] In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and 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 charitable company'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 liquidate the charitable company or to cease operations, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the SORP Accounting by Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2019 and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date: 30 Sept 2021

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

LONDON CYRENIANS HOUSING LIMITED

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2021

	Note	2021	2020 (restated)
		£	£
Turnover	3	8,841,990	12,115,878
Operating expenditure		(9,363,351)	(9,202,588)
Exceptional item	8	<u>5,194,378</u>	<u>-</u>
Operating (loss)/surplus	3	4,673,017	2,913,290
Other income		240,315	125,604
Interest receivable and similar income	7	36,871	84,541
Gain/(loss) on fair value of investment	18	<u>57,840</u>	<u>(31,270)</u>
Surplus before property revaluation		5,008,043	3,092,165
Gain/(loss) on revaluation of investment property	9	<u>440,000</u>	<u>(30,070)</u>
Surplus for the financial year		<u>5,448,043</u>	<u>3,062,095</u>

Registered number 1197478 England and Wales

The notes on pages 15 to 25 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 March 2021

	Notes	2021 £	2020 (restated) £
Fixed assets			
Investment property	9	3,353,000	2,913,000
Tangible assets – housing properties	10	9,849,006	10,240,769
		<u>13,202,006</u>	<u>13,153,769</u>
Current assets			
Debtors	11	220,181	372,947
Financial assets-investments	19	280,569	222,729
Cash at bank and in hand	12	6,961,899	6,595,124
		<u>7,462,649</u>	<u>7,190,800</u>
Creditors: amounts falling due in less than one year	13	<u>(1,339,414)</u>	<u>(2,948,946)</u>
Net current assets		<u>6,123,235</u>	<u>4,241,854</u>
Total assets less current liabilities		<u>19,325,241</u>	<u>17,395,623</u>
Provisions for liabilities	14	<u>(523,607)</u>	<u>(4,024,034)</u>
Net assets		<u>18,801,634</u>	<u>13,353,589</u>
Capital and reserves			
Designated reserves	15	1,420,195	1,420,195
Revaluation reserves		1,925,579	1,485,579
General reserves		<u>15,455,860</u>	<u>10,447,815</u>
		<u>18,801,634</u>	<u>13,353,589</u>

The financial statements were approved by the Board of Trustees on 23 September 2021 and were signed on its behalf by:

Michael Driver, Chair of Finance Committee

Registered number 1197478 England and Wales

Stephen Bashorun, Chair

The notes on pages 15 to 25 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF CHANGES IN EQUITY AND RESERVES FOR THE YEAR ENDED 31 March 2021

	Notes	Designated Reserves £	General Reserves £	Revaluation Reserve £	Total Reserves £
At 1 April 2019(restated)		1,420,195	9,630,653	1,515,649	12,566,497
Total Comprehensive Income		-	787,092	-	787,092
Transfer to reserves		-	30,070	(30,070)	-
At 1 April 2020(restated)		1,420,195	10,447,815	1,485,579	13,353,589
Total Comprehensive Income		-	253,665	-	253,667
Exceptional Item		-	5,194,378	-	5,194,378
Transfers between reserves		-	(440,000)	440,000	-
At 31 March 2021		1,420,195	15,455,860	1,925,579	18,801,634

The notes on pages 15 to 25 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF CASH FLOWS for the year ended 31 March 2021

	Notes	2021 £	2020 £
Net cash generated from operating activities	A	503,172	191,290
Investing activities			
Interest received		36,871	84,541
Purchase of tangible fixed assets investments		(173,268)	(2,575,000)
Net cash (used in)/generated from investing activities		366,775	(2,299,169)
Financing activities			
Interest paid		-	-
Net cash generated from/(used in) financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		366,775	(2,299,169)
Cash and cash equivalents at beginning of the year		6,595,124	8,894,293
Cash and cash equivalents at end of year		<u>6,961,899</u>	<u>6,595,124</u>

The notes on pages 15 to 25 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS for the year ended 31 March 2021

A RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Surplus for the financial year	5,448,043	2,768,493
(Gain)/loss on revaluation of investment property	(440,000)	30,070
(Gain)/loss on fair value of investment	(57,840)	31,270
Interest receivable and similar income	(36,871)	(84,541)
Depreciation charge on tangible fixed assets	565,031	543,413
(Increase)/decrease in debtors	152,766	(12,757)
Decrease in creditors	(1,609,532)	(495,916)
Decrease in provisions	(3,518,427)	(313,739)
	<hr/>	<hr/>
Net cash generated from operating activities	503,172	191,290
	<hr/>	<hr/>

B ANALYSIS OF CHANGES IN NET FUNDS

	At 1	Cash flows	Other non-	At 31
	April 2020		cash	March 2021
	£	£	changes	£
			£	
Cash	6,595,124	366,775	-	6,961,899
	<hr/>	<hr/>	<hr/>	<hr/>
Total	6,595,124	366,775	-	6,961,899
	<hr/>	<hr/>	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

1 Accounting policies (continued)

Turnover (continued)

Revenue grants including Supporting People are credited to the Income and Expenditure account in the period to which they relate.

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 where this enhances the economic benefit of the property. Housing properties are stated at cost less accumulated depreciation and any recognised impairment losses.

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

Property	13 years
Motor vehicles	3 years

The land element of property is not depreciated.

The Company has elected not to adopt component accounting in respect of its old housing properties. This decision was taken due to the fact that the useful life that would be applied to individual components was not deemed to be materially different from the 13 year useful life of property stated above. Component account has been applied in respect of the new addition made during the year and will be applied when substantial works are undertaken on existing properties which require capitalisation. The various components and associated estimated useful lives are:

Kitchens	7 years	Roofs	25 and 50 years
Bathrooms	10 years	Windows & doors	12 years
Boiler & Heating	7 years	Bricks and mortar	50 years

Impairment of housing properties

At each statement of financial position date, housing schemes are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value with its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Income and Expenditure account; the carrying value is reduced appropriately.

Investment property

Investment properties, which are properties held to earn rental and / or for capital appreciation, are initially measured at cost and subsequently at fair value. The directors have opted to revalue annually, with the support of independent professional valuers on a periodic basis at the balance sheet date. When the directors revalue the properties they make judgements based on current tenants, remainder of the lease term of tenancy, location, and other market conditions. Gains or losses on revaluation are recognised in the Income and Expenditure account and where these are above depreciated historic cost they are subsequently transferred to the property revaluation reserve.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

1 Accounting policies (continued)

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific future performance related conditions on the company, is recognised only when those conditions are met. A grant received before the revenue recognition criteria are satisfied is shown as a liability in the Statement of Financial Position.

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

Contributions to defined contribution pension schemes are charged to the Income and Expenditure account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Designations

Designated reserves are unrestricted reserves earmarked by the Board for particular purposes. The designations are as follows:

- Hidden Homes Initiative: to ensure that Cyrenians is able to reward staff against set objectives, invest in owned properties, meet services users aims and aspirations.
- Innovation and service improvements: resources to develop and implement pioneering new services and approaches to service delivery.
- Partnerships and alliances: funds for developing collaborations with relevant organisations.
- Furniture and equipment replacements: fund for renewing contents of customers' accommodation.

General reserve

This reserve relates to the cumulative retained earnings, excluding revaluations and transfers to designated reserves.

Revaluation reserve

This reserve relates to the cumulative revaluation of investment property.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Investments are recognised at their fair value with movements going to the Income and Expenditure account.

Cash and cash equivalents

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of under a year and bank overdrafts which are an integral part of the company's cash management.

Employee benefits

Short term employee benefits such as holiday pay are accrued as services are rendered.

Operating leases

Rentals payable under operating leases are charged to Income and Expenditure on a straight line basis over the lease term. The aggregate benefits of any lease incentive are recognised as a reduction in expenses recognised over the term of the lease.

2 Key sources of estimation uncertainty and judgements

The preparation of Financial Statements requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Critical judgements

The following are critical judgements apart from those involving estimations (which are dealt with separately below), that the trustees make in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements:

Liabilities and provisions

Management's decisions as to whether a balance is recognised as accrual, creditor or provision is based upon whether the balance is deemed to meet the criteria as set in FRS 102, specifically considering, that the Company has an obligation at the reporting date as a result of past event, it is probable that the entity will be required to transfer economic benefits in settlement of this obligation, and that the obligation can be measured reliably. Management have exercised judgement when considering the probability of economic outflow.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

2 Key sources of estimation uncertainty and judgements (continued)

Categorisation of housing properties as investment properties or tangible fixed assets

Properties which are held to earn market rents, capital appreciation or both are accounted for as investment properties. Properties rented to provide social housing and properties used for administrative purposes are classified as tangible assets – housing properties.

Identification of housing property components

As explained in note 1 above, for additions to housing properties and capitalisation of significant works, depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Key sources of estimation uncertainty

The estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Valuation of Investment property

The company holds two investment properties which were previously held as housing properties. After transfer and initial recognition, the investment property is measured at its fair value. The valuation assessment at year end has been performed by the directors of the Company based on publicly available market data.

Useful lives of Company properties

The depreciation applied by the Company to its owned properties takes into account the age and condition of the properties as well as the intensive utilisation sustained by the assets due to the nature of the services and client group of the Company. The accumulated depreciation at 31 March 2021 was £5,164,084 (2020: £4,599,053).

Dilapidations provision

The Company makes provision for dilapidations to its leased properties. The provision takes account of contractual responsibilities, health and safety obligations and any other relevant regulatory requirements.

Bad debt provision

The debtor balances in respect of charges to service users and statutory bodies of £142,381 (2020: £138,054) and revenue grant receivable £66,223 (2020: £165,162) are recorded in the Company's Statement of Financial Position. A full line by line review of debtors balances is carried out regularly. The bad debt provision against these balances at 31 March 2021 was £108,693 (2020: £101,871) and £30,112 (2020: £31,820) respectively.

Accruals and provisions

The accruals and deferred income balance of £798,101 (2020: £2,200,708) and provision balance (excluding dilapidations) of £0 (2020: £3,992,029) comprise a number of balances which exist for range of different reasons. In arriving at the value of accrual or provision, management have applied estimation to determine the quantum of obligation fall on the Company as at year end. Classification as a short term or long term depends on management's best estimate of the timing of the obligation falling due.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

3 Prior Year Adjustment

Year ended 31 March 2020

	As previously stated	Effect of prior year adjustment	As restated
Reconciliation of Income and Expenditure Account			
Turnover	9,547,273	2,568,605	12,115,878
Operating Expenditure	(9,202,588)	-	(9,202,588)
Operating Surplus	344,685	2,568,605	2,913,290
Other Income	125,604	-	125,604
Interest receivable and similar income	84,541	-	84,541
Gain/(loss) on fair value investment	(31,270)	-	(31,270)
Surplus before property revaluation	523,560	-	3,092,165
Gain/(loss) on fair value investment	(30,070)	-	(30,070)
Net income	493,490	2,568,605	3,062,095

Reconciliation of Statement of Financial Position

Year ended 31 March 2020

	As previously stated	Effect of prior year adjustment	As restated
Fixed Assets			
Investment property	2,913,000	-	2,913,000
Tangible assets – housing properties	10,240,769	-	10,240,769
	13,153,769	-	13,153,769
Current assets			
Debtors	372,947	-	372,947
Financial assets – investments	222,729	-	222,729
Cash at bank and in hand	6,595,124	-	7,190,800
	7,190,800	-	7,190,800
Creditors: amounts falling due in less than one year	(2,948,946)	-	(2,948,946)
Net current assets	4,241,854	-	17,395,623
Total assets less current liabilities	17,395,623	-	17,395,623
Provisions for liabilities	(6,610,639)	2,568,605	(4,042,034)
Net assets	10,784,984	2,568,605	13,353,589
Capital and reserves			
Designated funds	1,420,195	-	1,420,195
Revaluation reserves	1,485,579	-	1,485,579
General reserves	7,879,210	2,568,605	10,447,815
Total	10,784,984	2,568,605	13,353,589

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

3 Prior Year Adjustment (cont)

The company previously provided for the cost of obligations under historic contracts that they had no longer have any responsibility to fulfil. These have been released to general reserves.

3 Operating surplus	2021 £	2020 £
Is stated after charging:		
Depreciation	565,031	543,413
Auditor's remuneration – audit services	20,000	18,000
Operating lease payments - buildings	144,720	144,720
	<hr/>	<hr/>
Social housing income and expenditure	2021	2020 (restated)
	£	£
Rental receivable	2,595,195	2,444,086
Service charges	106,805	118,730
Revenue grants	6,349,953	9,544,821
Void Losses-Operational	(158,096)	(130,748)
Void Losses-Developmental	(51,866)	(154,613)
	<hr/>	<hr/>
	8,841,990	11,822,276

The expenditure and operating surplus from Social Housing activities are equivalent to the amounts in the Income & Expenditure account.

4 Auditor's remuneration	2021 £	2020 £
Fees payable to the Company's auditor:		
The audit of financial statements of the Company	20,000	18,000
	<hr/>	<hr/>
5 Staff costs	2021 Number	2020 Number
The average weekly number of persons employed during the year (full time equivalents) was:	214	236
	<hr/>	<hr/>
	£	£
Staff costs for the above persons were:		
Wages and salaries	5,101,250	5,578,940
Social security costs	458,003	488,146
Pension costs	128,940	120,134
	<hr/>	<hr/>
	5,688,193	6,187,220

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

6 Emoluments of the Board and senior management team

The directors of the Company do not receive any remuneration and the below amounts relate solely to managerial staff considered to be key management personnel.

	2021 £	2020 £
Remuneration paid to key management personnel comprised:		
Gross salary	234,385	307,212
Social security costs	32,345	42,395
Employer's pension contributions	13,193	14,965
	<u>279,923</u>	<u>364,572</u>
	2021 £	2020 £
Highest paid director's aggregate emoluments (excluding pension)	86,365	86,365
	<u>86,365</u>	<u>86,365</u>

The Chief Executive is an ordinary member of the pension scheme and no enhancements or special terms apply. There are no other pension arrangements.

The full time equivalent number of staff whose remuneration payable in relation to the period of account fell within the following bands:

	2021 No.	2020 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

7 Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	36,022	82,720
Dividend from investments	849	1,821
	<u>36,871</u>	<u>84,541</u>
	2021 £	2020 £
	<u>5,194,378</u>	<u>-</u>

8 Exceptional item

The exceptional item includes the write back of £3.9m of provisions in place to cover the cost of employees being paid the hourly minimum wage for the time spent sleeping in. During the year under review, the High Court ruled that this would not be payable to staff therefore the provision is no longer required. The remainder represents provisions which have been released on the grounds that the Statute of Limitation has expired.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

9 Investment property		£	
Valuation			
At 1 April 2020		2,913,000	
Fair value adjustment		440,000	
At 31 March 2021		<u>3,353,000</u>	
10 Tangible assets - housing properties	Properties	Land	Total
	£	£	£
Cost			
At 1 April 2020	9,893,215	4,946,607	14,839,822
Addition in the year	<u>173,268</u>	<u>-</u>	<u>173,268</u>
At 31 March 2021	<u>10,066,483</u>	<u>4,946,607</u>	<u>15,013,090</u>
Depreciation			
At 1 April 2020	4,599,053	-	4,599,053
Charge for the year	<u>565,031</u>	<u>-</u>	<u>565,031</u>
At 31 March 2021	<u>5,164,084</u>	<u>-</u>	<u>5,164,084</u>
Net book value			
At 31 March 2021	<u>4,902,399</u>	<u>4,946,607</u>	<u>9,849,006</u>
At 31 March 2020	<u>5,294,162</u>	<u>4,946,607</u>	<u>10,240,769</u>
11 Debtors	2021	2020	
	£	£	£
Gross arrears of charges to customers & other statutory bodies	142,281	138,054	
Less: provision for bad debts	<u>(108,693)</u>	<u>(101,871)</u>	
	33,588	36,183	
Revenue grants receivable	66,233	165,162	
Less: provision for fees bad debts	<u>(30,112)</u>	<u>(31,820)</u>	
	36,121	133,342	
Other debtors	<u>150,472</u>	<u>203,422</u>	
	<u>220,181</u>	<u>372,947</u>	

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

12 Cash and cash equivalents	2021 £	2020 £
Cash at bank and in hand	<u>6,961,899</u>	<u>6,595,124</u>
	<u>6,961,899</u>	<u>6,595,124</u>

13 Creditors	2021 £	2020 £
Amounts falling due within one year:		
Trade creditors	74,970	81,333
Customers' charges in advance	261,447	413,532
Other creditors	64,363	125,309
Other taxation and social security	140,533	128,064
Accruals and deferred income	<u>798,101</u>	<u>2,200,708</u>
	<u>1,339,414</u>	<u>2,948,946</u>

14 Provisions	Dilapidations provision	Other provisions	Total
	£	£	£
At 1 April 2020(restated)	343,607	3,698,427	4,042,034
Additions	180,000	-	180,000
Released	<u>-</u>	<u>(3,698,427)</u>	<u>(3,698,427)</u>
At 31 March 2021	<u>523,607</u>	<u>-</u>	<u>523,607</u>

15 Unrestricted reserves

Designated reserves

	2020 £	Transfers between reserves £	2021 £
Hidden home Initiative	975,000	-	975,000
Innovations and service improvements	150,195	-	150,195
Partnerships and alliances	70,000	-	70,000
Furniture and equipment replacements	<u>225,000</u>	<u>-</u>	<u>225,000</u>
	<u>1,420,195</u>	<u>-</u>	<u>1,420,195</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

16 Housing units at end of year – supported housing

	2021 Units	2020 Units
Owned	97	97
Managed	92	92
	<u>189</u>	<u>189</u>

17 Operating leases

The Company holds properties and office equipment under non-cancellable operating leases. At 31 March 2021, the Company had the following future minimum lease payments under non-cancellable leases:

	2021 £	2020 £
For leases expiring:		
Within one year	105,180	144,720
In two to five years	311,000	314,074
Later than five years	8,750	-
	<u>424,930</u>	<u>458,794</u>

18 Subsidiary undertaking

Name	Country of Incorporation	Class of shares	Holding	Activity
Capital Housing Limited	United Kingdom	Ordinary	100%	Dormant

The registered office of the above subsidiary was Carlyle House, 235-237 Vauxhall Bridge Road, London, SW1V 1EJ. The subsidiary was incorporated on 15 August 2019 and has remained dormant since incorporation.

19 Financial instruments

	2021 £	2020 £
<i>Equity instruments measured at fair value through the income and expenditure account</i>		
Current asset unlisted investments		
Cash	37	37
Ruffer Total Return Fund	107,457	90,188
Schroder Core UK Equity	77,140	56,719
Liontrust Income /Neptune Income	95,935	75,785
	<u>280,569</u>	<u>222,729</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

Fair value gains and losses

Gain/(loss) on financial assets (including unlisted investments) measured at fair value through profit or loss	57,840	(31,270)
Current asset unlisted investments		
	<hr/>	<hr/>
	57,840	(31,270)
	<hr/>	<hr/>

20 Ultimate controlling party

There is no ultimate controlling party.

21 Capital Commitments

Capital commitments contracted but not provided for in the financial statement were as follows:

On 1 April 2021, London Cyrenians Housing entered a contract of extension and refurbishment of 3 store semi-detached house and a new semi-detached apartment at 152-154 East Acton lane, London W3 7EW.

The best estimate of the of the total cost of this development is £1.2million.