

Company Registered Number 1197478

Charity Registered Number 269158

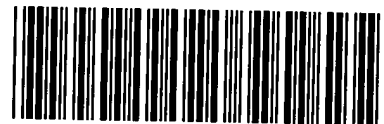
LONDON CYRENIANS HOUSING LIMITED

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2015

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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	52 Rochester Row London SW1P 1JU
HONORARY OFFICERS	Stephen Bashorun (Chair) Michael Driver (Chair of Finance C'tte) James McNicholas (Secretary)
BANKERS	Barclays Bank plc West London Team PO Box 1355 Acorn House 36/38 Park Royal Road London BX3 2BB
AUDITOR	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY
ACCOUNTANTS & FINANCIAL ADVISERS	Smith & Williamson LLP 25 Moorgate London EC2R 6AY
SOLICITORS	Trowers & Hamlins Fiona Campbell Oliver Fisher
COMPANY REGISTERED NUMBER	1197478
CHARITY REGISTERED NUMBER	269158
REGISTERED PROVIDER OF SOCIAL HOUSING NUMBER	LH4377

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF GOVERNORS for the year ended 31 MARCH 2015

The Board of Governors presents its report and accounts for the year ended 31 March 2015. The Balance Sheet, Income and Expenditure account and Cash flow statement 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 challenging and complex needs.

Public Benefit

In setting our 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 as described above.

Review of Affairs

We are pleased to report that Cyrenians has continued to meet the Company's aims and objectives during the year. A large multisite contract has been won in a west London borough and a completely new service was opened in the south west of the Capital. In south east London another new service was commissioned in a borough where we have not previously operated.

We have substantially refurbished a number of our properties to promote an environment for wellbeing, safety and recovery.

Wherever possible we have used the latest technology to improve the delivery of our services and frequently seek customers' feedback on our upgrades which is usually positive.

All the new services provide well designed and safe environments which promotes high quality support and recovery for our customers. Our growth path and development are in line with our strategic plan and we are proud to be consistently ranked as one of the best providers in our sector.

We continuously review the composition and quality of the services that we offer to make sure that they are effective and relevant to the needs of our customers. We are currently evaluating the following activities:

- The impact of assistive technology on recovery and independence
- The outcomes associated with bespoke services designs and qualified assessments by our AIR Team
- A Payment by Outcomes system for high support services

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF GOVERNORS for the year ended 31 MARCH 2015 (continued)

We would like to take this opportunity to thank our customers and staff for their insight and commitment, our Commissioners for their ongoing support and quality control and our Board for their guidance and forward thinking,

Risk Management

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

- Reviews and updates risk management and undertakes assessments of policies and procedures. These assessments include reviewing the types of risk Cyrenians faces, prioritising risks in terms of potential impact and likelihood of occurrence, and identifying the means of mitigating the risks.
- Maintains appropriate insurance cover.
- Satisfies themselves that Cyrenians' internal controls comply in all material respects with best practice and provide a sound basis for managing our affairs.

Value for money

Achieving value for money is a fundamental principle which is integral to all aspects of the organisation's activities. Cyrenians has created a framework for delivering best value using the following mechanisms.

- Strategic plans: incorporating a best value component wherever appropriate in all strategic plans.
- Fixed assets: aiming to improve the quality and quantity of the stock of fixed assets by investing in new assets and improving the quality of existing ones.
- Purchases of goods and services: demanding better value from suppliers by tendering for services on a regular basis, using goods and services more efficiently and eliminating waste.
- New projects must meet stringent value for money criteria.
- Central costs are kept within a reasonable percentage of total costs.
- Reduce rent arrears as a percentage of total charges. The present target has been set at 8.3%.
- Continuing to reduce the number of void units and reinvesting the savings in service improvements. Our current target is 6%.

LONDON CYRENIANS HOUSING LIMITED
REPORT OF THE BOARD OF GOVERNORS for the year ended 31 MARCH 2015
(continued)

- Customers satisfaction: regularly conducting tenants' satisfaction surveys to ensure that services are meeting customers' requirements.

Going forward, Cyrenians will continue to develop, monitor and measure the above processes to ensure that the organisation's commitment to best value is sustained.

Level of Reserves

In line with best practice and our Business Continuity Strategy 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 an unrestricted reserve which is a requirement of certain funders. To satisfy these policy objectives Cyrenians 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.

The Board of Governors (directors and trustees of the company) 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 Cyrenians Chair all in accordance with Cyrenians' written procedures. The following served during the period:

S. Bashorun	S. Morris (appointed 13.11.14)
R. Bowman (appointed 12.03.15)	H. Maxwell
S. Cargill (appointed 13.11.14)	Dr B Punukollu
R. Cude (resigned 13.08.14)	D. Piggan (resigned 13.08.14)
A. Diggle	L. Quinn (appointed 28.05.14, resigned 13.11.14)
M. Driver	J. Ridley (resigned 13.08.14)
P. Gantley OBE (resigned 13.08.14)	L. Semmens (appointed 13.08.14)
S. Makin (appointed 12.03.15)	C. Thompson
S. Manifold (resigned 13.08.14)	P. Vinson (resigned 13.08.14)
E. Marron	

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 2015 was twelve (2014 – 13)

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.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF GOVERNORS for the year ended 31 MARCH 2015 (continued)

Auditor

A resolution to re-appoint Nexia Smith & Williamson LLP as auditor to the Company will be submitted to the Annual General Meeting in September 2015.

A handwritten signature in black ink, appearing to read 'Stephen Bashorun', followed by a period.

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 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 2012. 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 AUDITOR'S REPORT TO THE MEMBERS OF LONDON CYRENIANS HOUSING LIMITED

We have audited the financial statements of London Cyrenians Housing Limited for the year ended 31 March 2015 which comprise: the Income and expenditure account, the Balance sheet, the Cash Flow statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Board of Governors

As explained more fully in the Statement of Directors' Responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeprivate.

Opinion on financial statements

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 2015, 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.
- have been prepared in accordance with the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered providers of Social Housing 2012.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information provided in the Board of Management's Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Nexia Smith & Williamson

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

Matters on which we are required to report by exception

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.

Nexia Smith & Williamson

Jonathan Pryor
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
Date: *4 August 2015*

25 Moorgate
London
EC2R 6AY

LONDON CYRENIANS HOUSING LIMITED**INCOME AND EXPENDITURE ACCOUNT for the year ended 31 MARCH 2015**

	Note	2015 £	2014 £
Turnover		13,140,006	12,064,006
Operating costs		(12,748,223)	(11,623,414)
Operating surplus		391,783	440,592
Interest receivable & other income	3	113,493	120,406
Surplus on disposal of property	4	-	391,258
Loss on disposal of investment	5	(7,807)	-
Surplus for the year on ordinary activities		497,469	952,256

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

These financial statements were approved on 30th July 2015 and signed by:



Michael Driver, Chair of Finance Committee



Stephen Bashorun, Chair

LONDON CYRENIANS HOUSING LIMITED

BALANCE SHEET as at 31 MARCH 2015

	Notes	2015 £	2014 restated £
Tangible fixed assets			
Properties	8	8,420,147	6,975,088
Motor vehicle	8	3,128	4,597
Total fixed assets		8,423,275	6,979,685
Current assets			
Investments		220,604	240,398
Debtors	9	445,913	914,454
Cash at bank and in hand		8,874,742	8,254,624
		9,541,259	9,409,476
Creditors: amounts falling due within one year	10	(5,310,559)	(4,605,901)
Net current assets		4,230,700	4,803,575
Total assets less current liabilities		12,653,975	11,783,260
Creditors: amounts falling due after one year	10	(1,344,939)	(1,438,992)
Provisions	10	(5,242,012)	(4,774,713)
Net assets		6,067,024	5,569,555
Capital and reserves			
Designated reserves	11	1,420,195	1,420,195
General reserves	12	4,646,829	4,149,360
		6,067,024	5,569,555

These financial statements were approved on 30th July 2015 and signed by:


Michael Driver, Chair of Finance Committee


Stephen Bashorun, Chair

LONDON CYRENIANS HOUSING LIMITED

CASH FLOW STATEMENT for the year ended 31 MARCH 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	13	2,650,085	1,864,688
Returns on investments and servicing of finance			
Interest received and other income		113,493	120,406
Capital expenditure and financial investment			
Sale of property		-	391,258
Sale of investments		11,987	-
Purchase of fixed assets		<u>(2,155,447)</u>	<u>(2,759,763)</u>
Net cash outflow from returns on investment and servicing of finance		(2,029,967)	(2,248,099)
Increase/(decrease) in cash in the year	14	<u>620,118</u>	<u>(383,411)</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2015 (continued)

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 Providers of Social Housing" (2010) (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 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 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:

Property	13 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 2015 (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 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.

Designations

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

- New developments: to ensure that Cyrenians is in a position to bid for and provide new schemes and services in accordance with the Business Plan.
- 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.

Operating leases

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

Investments

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

2 Operating surplus	2015	2014
Is stated after charging:	£	£
Depreciation	711,857	518,128
Auditor's remuneration – audit services	17,000	17,035
Rent of land and buildings	97,000	184,067
	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2015 (continued)

2 Operating surplus (continued)

Social housing income and expenditure	2015 £	2014 £
Rental receivable	3,764,950	3,755,410
Service charges	171,309	171,418
Revenue grants	9,466,664	8,362,421
Void losses	(262,917)	(225,243)
	<u>13,140,006</u>	<u>12,064,006</u>

3 Interest receivable and other income

	2015 £	2014 £
Bank interest	55,403	116,021
Charity deposit	2,325	2,242
Dividends from investments	1,593	2,143
Other income	54,172	-
	<u>113,493</u>	<u>120,406</u>

4 Surplus on disposal of property

	2015 £	2014 £
Gross proceeds of sales	-	400,000
Less: legal cost on disposal of property	-	(8,742)
	<u>-</u>	<u>391,258</u>

5 Loss on disposal of investment

	2015 £	2014 £
Gross proceeds of sale	11,987	-
Less: cost of investment	(19,794)	-
	<u>(7,807)</u>	<u>-</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2015 (continued)

6 Directors' emoluments	2015 £	2014 £
The aggregate emoluments paid to or receivable by managerial staff	258,115	251,728
Pension contributions payable for managerial staff	12,022	12,004

The directors of the Company do not receive any remuneration and the above amounts relate solely to managerial staff.

Number of staff earning over £60k including salaries and bonus but not pension:

	<u>Number of Staff</u>
£80,000 → £89,999	1
£60,000 → £69,999	1

	2015 £86,365	2014 £86,365
Emoluments of highest paid director excluding pension; the pension arrangements are the same as the other staff.		

7 Employee information	2015 No.	2014 No.
The average weekly number of persons employed during the year (full time equivalents)	285	272
Staff costs (for the above persons)	£	£
Wages and salaries	6,920,211	6,631,804
Social security costs	641,966	587,553
Pension costs	129,033	128,480
	7,691,210	7,347,837

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2015 (continued)

8 Tangible fixed assets	Properties £	Motor vehicles £	Total £
Cost			
At 1 April 2014	9,894,593	9,410	9,904,003
Additions	2,155,447	-	2,155,447
At 31 March 2015	<u>12,050,040</u>	<u>9,410</u>	<u>12,059,450</u>
Depreciation			
At 1 April 2014	2,919,505	4,813	2,924,318
Provided during the year	<u>710,388</u>	<u>1,469</u>	<u>711,857</u>
At 31 March 2015	<u>3,629,893</u>	<u>6,282</u>	<u>3,636,175</u>
Net book value			
At 31 March 2015	<u>8,420,147</u>	<u>3,128</u>	<u>8,423,275</u>
At 31 March 2014	<u>6,975,088</u>	<u>4,597</u>	<u>6,979,685</u>

9 Debtors	£	2015 £	£	2014 £
Gross arrears of charges to customers & other statutory bodies	230,432		410,686	
Less provision for bad debts	<u>(157,450)</u>		<u>(178,972)</u>	
		72,982		231,714
Revenue grants receivable	242,789		571,403	
Less provision for fees bad debts	<u>(48,998)</u>		<u>(59,067)</u>	
		193,791		512,336
Other debtors		<u>179,140</u>		<u>170,404</u>
		<u>445,913</u>		<u>914,454</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2015 (continued)

10 Creditors

	2015 £	2014 Restated £
Amounts falling due within one year:		
Trade creditors	123,028	194,386
Customers' charges in advance	215,084	215,971
Other creditors	75,712	14,388
Other taxation and social security	174,580	179,944
Accruals and deferred income	4,722,155	4,001,212
	<u>5,310,559</u>	<u>4,605,901</u>
	2015 £	2014 £
Amounts falling due after one year:		
Dilapidations fund	1,182,968	1,277,021
Sinking fund	111,971	111,971
Donation	50,000	50,000
	<u>1,344,939</u>	<u>1,438,992</u>
	2015 £	2014 Restated £
Provisions:		
Provisions for contractual liabilities with the potential to arise after one year.	5,242,012	4,774,713
Balances previously included in creditors have been reclassified as provisions.	<u></u>	<u></u>

11 Unrestricted reserves

Designated reserves

	2014 £	Movements £	2015 £
Establishing pension scheme	185,000	(185,000)	-
New developments	-	185,000	185,000
Innovations and service improvements	165,195	-	165,195
Partnerships and alliances	170,000	-	170,000
Furniture and equipment replacements	900,000	-	900,000
	<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 2015 (continued)

12 General reserve

	General Reserve £
At 1 April 2014	4,149,360
Surplus for the year	<u>497,469</u>
At 31 March 2015	<u>4,646,829</u>

13 Reconciliation of operating surplus to net cash inflow from operating activities

	2015 £	2014 £
Operating surplus	391,783	440,592
Depreciation	711,857	518,128
Decrease/(increase) in debtors excluding interest	468,541	(197,359)
Increase in creditors	1,077,904	1,103,327
	<u>2,650,085</u>	<u>1,864,688</u>

14 Analysis of change in net debt

	At 1 April 2014 £	Cashflow £	At 31 March 2015 £
Cash at bank and in hand	8,254,624	620,118	8,874,742

15 Reconciliation of net cash flow to movement in net debt

	2015 £	2014 £
Increase/(decrease) in cash in the year	620,118	(383,411)
Change in net funds resulting from cash flows	620,118	(383,411)
Net funds at 1 April 2014	8,254,624	8,638,035
Net funds at 31 March 2015	<u>8,874,742</u>	<u>8,254,624</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2015 (continued)

16 Housing units at end of year – supported housing

	2015 Units	2014 Units
Owned	88	88
Managed	<u>244</u>	<u>271</u>
	<u>332</u>	<u>359</u>

17 Operating leases

The Company holds properties and office equipment under non-cancellable operating leases.

At 31 March 2015 the Company had annual commitments under those lease terms as follows:

	2015 £	2014 £
Leases expiring between one and two years	<u>97,000</u>	<u>184,067</u>
Total	<u>97,000</u>	<u>184,067</u>