

Company Registered Number: 1197478

Charity Registered Number: 269158

London Cyrenians Housing Limited

Report and financial statements

for the year ended

31 March 2022

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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	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	CLA Evelyn Partners Limited 45 Gresham Street London EC2V 7EH
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 2022

The Board of Trustees presents its report and strategic report and the accounts for the year ended 31 March 2022. The Statement of Comprehensive Income, 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 2022

Introduction

Optimism may be in short supply this year given the sector wide staffing vacancies, soaring inflation, cost of living crisis, the war in Ukraine and world food shortages. But despite these challenging times Cyrenians has much to be proud of and to celebrate. As a prudent and responsible charity we continue to develop safely and within our means and are therefore able to face the obstacles above with 50 years' experience, financial stability and an innovative fundraising programme Radical Rent to maintain investment in quality and staffing.

Activity

Our phase 1 Radical Rent at Halford House was completed in Winter 2022 and was a triumph to planning, detail and innovation. The flats are designed with an original eye and modern twist for this Victorian house. The apartments were snapped up within a week by locals keen to see their rent go towards supporting people with mental health needs rather than into the pockets of developers.

We have received planning permission for phase 2 of our Radical Rent programme and will be working in earnest to create 4 beautiful self-contained flats in Carleton Road Islington from the tired and rundown property we inherited.

New Services

Given the staffing crisis in London we have chosen not to tender for new services as we are mindful of the problems caused by the sector-wide inability to recruit suitably skilled and able staff. This is a huge frustration for Cyrenians as we are proud of our innovative and successful model of service delivery and keen to expand this when safe to do so. We are working closely in Hammersmith and Fulham to bring the large day service in SW6 back to its former glory so that it can be of value to local people from BAME Groups. The upgrade works are ongoing and we are optimistic that it can be brought into safe community use before the end of the year.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2022 (continued)

Investment

The five key pillars to our investment plans are:

1. Property

We will continue to upgrade our existing properties to ensure that service users have modern, clean and pleasant environments in which to begin their recovery journeys. This includes being mindful of our Environment and Sustainability plans and replacing old inefficient systems with newer greener ones where possible.

2. People

As the sector continues to face unprecedented shortages, we have looked at creative and responsible ways to recruit and retain staff. We have a well-received discretionary recognition award, comprehensive training programme and have just completed a review of terms and conditions. We are working with several universities to support young talent coming through and to promote adult social care as a vibrant and rewarding career.

3. Services

We have been reviewing our service models and looking at ways we can introduce more clinical support from psychologists and nursing. We have begun our health outcomes review with service users and look forward to completing this and implementing findings before the end of the financial year.

4. Governance

We are thrilled to introduce 2 young trainee trustees to our fold this year. They have helped us to promote work streams that include:

- Recruiting younger people
- Age-appropriate activities programmes
- Service user feedback sessions
- Establishing a young person's panel

5. Corporate Identity

We are mindful from feedback from our young trainee trustees and service users that our corporate image can look a bit staid and dated. We have therefore begun the process of reviewing our identity with the view to beginning the re-branding process in this our 50th Year.

Risk and Uncertainties in the Immediate Future

The risks to the sector in general and to LCH remain:

- Staff and labour shortages
- Reluctance in clinical risk sharing
- Decline in the value of support contracts

We have put together a suite of responses to help improve our recruitment and retention rates, but we are mindful that the pool of people looking for work in the

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2022 (continued)

sector are just not there. We will review our improvements over the next three months to gauge the success of our new measures.

We continue to advocate for shared and effective risk planning with clinicians and have included this in procedural security for those overseeing referrals and placements.

Risk Management (Corporate)

In order to ensure effective risk management and sound governance the Trustees continue to:

- Maintain adequate insurance cover
- Comply with policy and procedures
- Review, rate and mitigate as per Risk Register
- Work to our internal control framework

Disabled Persons

As a mental health and learning disability charity we are mindful of the importance of supporting people with disabilities or conditions to access work. We have a positive track record of enabling people to access employment and are supported to do this by our retained Occupational Health Service who support us to make reasonable adjustments to the working environment where safe and appropriate to do so.

Diversity

Cyrenians are pleased to promote diversity at all levels in the organisation and have a positive and inclusive track record from our trustees to our frontline staff. We continue to review options to ensure that people from all walks of life are welcomed to Cyrenians and have recently introduced a trainee trustee programme to facilitate this.

Employee Information

During the Covid restrictions LCH circulated regular bulletins, newsletters and activity update emails. Now that restrictions have been lifted, we have returned to company meetings, staff conference and ad hoc events. In addition, we have also begun to post information online in the form of Podcasts and training.

Key Performance Indicators

We have detailed below our performance against the key indicators of occupancy, staff turnover and arrears.

	2022	2021
Occupancy	96%	92%
Staff turnover	31%	30%
Arrears	5%	4.9%

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2022 (continued)

Value for Money Metrics

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

- **Reinvestment** – 8.83% (2021: 1.15%) The reinvestment metric in 2022 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** – 1.48% (2021: N/A)
- **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** - £7,367 (2021: £9,178)
The low cost per unit reflects the stringent cost control measures in place.
- **Operating margin (social)** –3.58% (2021: 5.96%)
- **Return on capital employed (ROCE)** –2.78% (2021: 0.96%)

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.

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2022

LONDON CYRENIANS HOUSING LIMITED

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 and up to the date of this report:

S. Bashorun
A. Diggle
M. Driver
C. Thompson
S. Chamberlain

H. Maxwell
C. Flood(appointed 19.11.2021)
Prof B. Thomas
J. Ward-Smith

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 2022 was nine (2021-9).

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 2022

Auditor

A resolution to appoint CLA Evelyn Partners Limited as auditor to the Company will be submitted to the Annual General Meeting in September 2022.

This report was approved by the Board of Trustees on 29 September 2022 and signed on its behalf by:



Stephen Bashorun
Chair
24/11/2022



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 'association') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, 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 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 association's affairs as at 31 March 2022 and of 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, 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 association 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 directors' 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 association'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 directors 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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements

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or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Board of Trustees and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees and Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees and Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set on page 7, the members of the board are the directors of the association for the purposes of company law. The directors 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 controls as the directors 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 directors are responsible for assessing the association'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 directors either intend to liquidate the association 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 the 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:

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We obtained a general understanding of the association's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the association's industry and regulation.

We understand that the association complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the association's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the association:

- FRS 102, the requirements of the Companies Act 2006, the Charities Act 2011 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed any correspondence between the Regulator of Social Housing and the association.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the association's processes and controls surrounding manual journal entries; and
- reviewing and challenging estimates made by management.

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

Use of our report

This report is made solely to the association'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 association'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

LONDON CYRENIANS HOUSING LIMITED

accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited
CLA Evelyn Partners Limited (No. 10, 1012 1231 1231)

Julie Mutton
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants
28/11/2022
45 Gresham Street
London
EC2V 7EH

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2022

	Note	2022	2021
		£	£
Turnover	3	7,749,036	8,841,990
Operating expenditure		(7,471,985)	(9,363,351)
Exceptional item	8	-	5,194,378
Other Income		<u>250,779</u>	<u>240,315</u>
Operating surplus	3	527,830	4,913,332
Interest receivable and similar income	7	7,355	36,871
Gain on fair value of investment	18	<u>22,582</u>	<u>57,840</u>
Surplus before property revaluation		557,767	5,008,043
Gain on revaluation of investment property	9	<u>697,000</u>	<u>440,000</u>
Surplus for the financial year		<u>1,254,767</u>	<u>5,448,043</u>

Registered number 1197478 England and Wales

The notes on pages 18 to 28 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

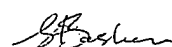
STATEMENT OF FINANCIAL POSITION as at 31 March 2022

	Notes	2022	2021
		£	£
Fixed assets			
Investment property	9	4,050,000	3,353,000
Tangible assets – housing properties	10	10,737,600	9,849,006
		<u>14,787,600</u>	<u>13,202,006</u>
Current assets			
Debtors	11	302,988	220,181
Financial assets-investments	19	303,151	280,569
Cash at bank and in hand	12	6,339,874	6,961,899
		<u>6,946,013</u>	<u>7,462,649</u>
Creditors: amounts falling due in less than one year	13	(1,325,409)	(1,339,414)
		<u>5,620,604</u>	<u>6,123,235</u>
Net current assets			
Total assets less current liabilities		<u>20,408,204</u>	<u>19,325,241</u>
Provisions for liabilities	14	<u>(351,803)</u>	<u>(523,607)</u>
Net assets		<u>20,056,401</u>	<u>18,801,634</u>
Capital and reserves			
Designated reserves	15	12,165,021	1,420,195
Revaluation reserves		2,622,579	1,925,579
General reserves		<u>5,268,801</u>	<u>15,455,860</u>
		<u>20,056,401</u>	<u>18,801,634</u>

The financial statements were approved by the Board of Trustees on 23 November 2022 and were signed on its behalf by:

Michael Driver
Michael Driver (Nov 25, 2022 12:03 GMT)

Michael Driver, Chair of Finance Committee



Stephen Bashorun, Chair

Registered number 1197478 England and Wales

The notes on pages 18 to 28 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF CHANGES IN EQUITY AND RESERVES FOR THE YEAR ENDED 31 March 2022

	Notes	Designated Reserves £	General Reserves £	Revaluation Reserve £	Total Reserves £
At 1 April 2020		1,420,195	10,447,815	1,485,579	13,353,589
Total Comprehensive Income		-	5,448,045	-	5,448,045
Transfer to reserves		-	(440,000)	440,000	-
At 1 April 2021		1,420,195	15,455,860	1,925,579	18,801,634
Total Comprehensive Income		-	1,254,767	-	1,254,767
Release of designated reserve	(1,420,195)	1,420,195	-	-	-
Transfers between reserves	12,165,021	(12,165,021)	-	-	-
Revaluation	-	(697,000)	697,000	-	-
At 31 March 2022		12,165,021	5,268,801	2,622,579	20,056,401

The notes on pages 18 to 28 form part of these financial statements.

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STATEMENT OF CASH FLOWS for the year ended 31 March 2022

	Notes	2022 £	2021 £
Net cash generated from operating activities	A	824,247	503, 172
Investing activities			
Interest received		7,355	36,871
Purchase of tangible fixed assets investments		(1,453,627)	(173,268)
Net cash (used in)/generated from investing activities		(1,446,272)	(136,397)
Financing activities			
Interest paid		-	-
Net cash generated from/(used in) financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(622,025)	366,775
Cash and cash equivalents at beginning of the year		6,961,899	6,595,124
Cash and cash equivalents at end of year		<u>6,339,874</u>	<u>6,961,899</u>

The notes on pages 18 to 28 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS for the year ended 31 March 2022

A RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2022 £	2021 £
Surplus for the financial year	1,254,767	5,448,043
(Gain) on revaluation of investment property	(697,000)	(440,000)
(Gain) on fair value of investment	(22,582)	(57,840)
Interest receivable and similar income	(7,355)	(36,871)
Depreciation charge on tangible fixed assets	565,033	565,032
(Increase)/decrease in debtors	(82,807)	152,765
(Decrease) in creditors	(14,005)	(1,609,532)
(Decrease) in provisions	(171,804)	(3,518,427)
Net cash generated from operating activities	824,247	503,172

B ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash	6,961,899	(622,025)	-	6,339,874
Total	6,961,899	(622,025)	-	6,339,874

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

1 Accounting policies

The principal accounting policies are summarised below.

Basis of preparation

London Cyrenians Housing Limited is a company limited by guarantee without share capital and registered as a charity, incorporated in England and Wales and as a Registered Provider of Social Housing. The address of the registered office is Carlyle House, 235-237 Vauxhall Bridge Road, London, SW1V 1EJ. The company meets the definition of a Public Benefit Entity per FRS 102.

The financial statements are prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice, Accounting by registered social housing providers 2018, ("the SORP") issued by the National Housing Federation. The financial statements also comply with the Accounting Direction for private registered providers of social housing 2019 ("the Direction").

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements have been prepared under the historical cost convention, except where otherwise stated, and are presented in sterling £.

Basis for consolidation

The Company is a parent undertaking as disclosed in note 17. The Company has taken exemption from preparing consolidated financial statements under FRS 102 on the basis that its subsidiary is permitted to be excluded from consolidation by section 405 of the Companies Act 2006 on the basis that its inclusion is not material for the purpose of giving a true and fair view. Given that the subsidiary is dormant, these financial statements disclose the result of the Company only.

Going concern

The Board have prepared these financial statements on a going concern basis. This follows a review of expected future cash flows taking into account the timing of expected income and expenditure. Based on that review, the Board consider that all of the Company's liabilities will be met at or before the point they fall due for a period of at least 12 months from the date of signing the accounts.

Turnover

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

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 Statement of Comprehensive Income in the period in which the relevant expenditure is incurred.

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

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

1 Accounting policies (continued)

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 properties acquired in 2020 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 Statement of Comprehensive Income and where these are above depreciated historic cost they are subsequently transferred to the property revaluation reserve through the Statement of Changes in Equity and Reserves.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

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:

- Housing and investment properties (net of revaluation) being the reserves which are represented by tangible fixed assets.

General reserve

This reserve relates to the cumulative retained earnings, excluding revaluations and 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 2022

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:

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

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2 Key sources of estimation uncertainty and judgements (continued)

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 2022 was £5,729,117 (2021: £5,164,084).

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 £125,003 (2021: £142,381) and revenue grant receivable £53,672 (2021: £66,223) 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 2022 was £0 (2021:£108,693) and £0 (2021:£30,112) respectively.

3 Operating surplus	2022	2021
	£	£
Is stated after charging:		
Depreciation	565,033	565,032
Auditor's remuneration – audit services including VAT	25,890	24,000
Operating lease payments - buildings	<u>59,597</u>	<u>144,720</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

4 Social Housing Turnover and Costs	2022 £	2021 £
Rent receivable excluding service charge	2,276,468	2,595,195
Service charges receivable	87,742	106,805
Revenue Grants	5,384,826	6,349,953
Social housing activity expenditure	<u>(7,471,985)</u>	<u>(9,363,351)</u>
Operating surplus/deficit and net surplus/deficit from social housing activities	<u>277,051</u>	<u>(311,398)</u>
Void Losses	<u>(101,203)</u>	<u>(158,096)</u>

The expenditure and operating surplus from Social Housing activities are equivalent to the amounts in the Statement of Comprehensive Income.

5 Staff costs	2022 Number	2021 Number
The average weekly number of persons employed during the year (full time equivalents) was:	180	214
	<u>£</u>	<u>£</u>
Staff costs for the above persons were:		
Wages and salaries	4,426,038	5,101,250
Social security costs	423,419	458,003
Pension costs	<u>115,926</u>	<u>128,940</u>
	<u>4,965,383</u>	<u>5,688,193</u>

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.

	2022 £	2021 £
Remuneration paid to key management personnel comprised:		
Gross salary	210,052	234,385
Social security costs	28,987	32,345
Employer's pension contributions	<u>12,463</u>	<u>13,193</u>
	<u>251,502</u>	<u>279,923</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

	2022 £	2021 £
Highest paid director's aggregate emoluments (excluding pension)	<u>86,365</u>	<u>86,365</u>
	<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:

	2022 No	2021 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

7 Interest receivable and similar income	2022 £	2021 £
Bank interest receivable	6,073	36,022
Dividend from investments	<u>1,282</u>	<u>849</u>
	<u>7,355</u>	<u>36,871</u>

8 Exceptional item	2022 £	2021 £
Write back provisions that are no longer appropriate due to a change in legal circumstances.	<u>-</u>	<u>5,194,378</u>

9 Investment property Valuation	
At 1 April 2021	3,353,000
Fair value adjustment	<u>697,000</u>
At 31 March 2022	<u>4,050,000</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

10	Tangible assets -housing properties	Properties	Land	Total
		£	£	£
	Cost			
	At 1 April 2021	10,066,483	4,946,607	15,013,090
	Addition in the year	1,453,627	-	1,453,627
	At 31 March 2022	<u>11,520,110</u>	<u>4,946,607</u>	<u>16,466,717</u>
	Depreciation			
	At 1 April 2021	5,164,084	-	5,164,084
	Charge for the year	565,033	-	565,033
	At 31 March 2022	<u>5,729,117</u>	<u>-</u>	<u>5,729,117</u>
	Net book value			
	At 31 March 2022	<u>5,790,993</u>	<u>4,946,607</u>	<u>10,737,600</u>
	At 31 March 2021	<u>4,902,399</u>	<u>4,946,607</u>	<u>9,849,006</u>
11	Debtors		2022	2021
		£	£	£
	Gross arrears of charges to customers & other statutory bodies	125,003		142,281
	Less: provision for bad debts	-		(108,693)
		<u>125,003</u>		<u>33,588</u>
	Revenue grants receivable	53,672		66,233
	Less: provision for fees bad debts	-		(30,112)
		<u>53,672</u>		<u>36,121</u>
	Other debtors	<u>124,313</u>		<u>150,472</u>
		<u>302,988</u>		<u>220,181</u>
12	Cash and cash equivalents		2022	2021
			£	£
	Cash at bank and in hand		<u>6,339,874</u>	<u>6,961,899</u>
			<u>6,339,874</u>	<u>6,961,899</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

13 Creditors	2022 £	2021 £
Amounts falling due within one year:		
Trade creditors	77,605	74,970
Customers' charges in advance	240,185	261,447
Other creditors	64,363	64,363
Other taxation and social security	140,060	140,533
Accruals and deferred income	803,196	798,101
	<u>1,325,409</u>	<u>1,339,414</u>

14 Provisions	Dilapidations provision
	£
At 1 April 2021	523,607
Additions	46,853
Released	<u>(218,657)</u>
At 31 March 2022	<u>351,803</u>

15 Unrestricted reserves	2022	Transfers between reserves	2021
Designated reserves			
	£	£	£
Housing and investment properties(net of revaluation reserve)	12,165,021	12,165,021	-
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	-	(225,000)	225,000
	<u>12,165,021</u>	<u>10,744,826</u>	<u>1,420,195</u>

16 Housing units at end of year – supported housing	2022 Units	2021 Units
Owned	49	97
Managed	<u>86</u>	<u>92</u>
	<u>135</u>	<u>189</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

17 Operating leases

The Company holds properties and office equipment under non-cancellable operating leases. At 31 March 2022, the Company had the following future minimum lease payments under non-cancellable leases:

	2022 £	2021 £
For leases expiring:		
Within one year	92,000	105,180
In two to five years	265,940	311,000
Later than five years	-	8,750
	<u>357,940</u>	<u>424,930</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

	2022 £	2021 £
<i>Equity instruments measured at fair value through the income and expenditure account</i>		
Current asset listed investments		
Cash	216	37
Ruffer Total Return Fund	111,667	107,457
Schroder Core UK Equity	82,229	77,140
Liontrust Income /Neptune Income	<u>109,046</u>	<u>95,935</u>
	<u>303,151</u>	<u>280,569</u>

Fair value gains and losses

Gain on financial assets measured at fair value through profit or loss

Current asset listed investments	<u>22,582</u>	<u>57,840</u>
	<u>22,582</u>	<u>57,840</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

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 2022, London Cyrenians Housing entered a contract of refurbishment of detached house 69 Carleton Road London N1 7EW.

The best estimate of the of the total cost of this development is £0.5million.