

Company registration number: 00995799

Charity registration number: 500640

THE CYRENIANS LIMITED

operating as

CHANGING LIVES

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

The Cyrenians Limited
operating as Changing Lives

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Report of the trustees (including Directors' Report) for the year ending 31 March 2021

The trustees (who are also the Directors of the Company for the purposes of company law) are pleased to present their annual directors' report, including Strategic Report, together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Charities Statement of Recommended Practice ("Charities SORP") (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

Chair's Report

Changing Lives helps people facing the most challenging of circumstances make positive change - for good.

We believe that everyone deserves a safe home, a rewarding job and a life free from addiction or abuse. We know that with the right support, anyone can change their life for the better.

In 2019 we set a two year strategy and we have achieved a huge amount in that period, given that one year in the coronavirus pandemic resulted in a seismic shift in the world, including in how we work and deliver our services.

The pandemic exposed further the inequalities faced by the people we work with, who may be experiencing homelessness, addiction, abuse and discrimination. Changing Lives' teams responded rapidly to what people told them and asked for as the coronavirus restrictions began, and we made sure to listen and learn from the people we work with as the situation changed.

Being Becoming Belonging continues to be our focus for working with people, and we know to achieve this we need to work on shifting power away from the centre of the organization and create space for flexibility, adaptability and focusing on what matters to the people we work with.

We believe our services are moving in the right direction, offering support led by the person and based on people's strengths to move on from the trauma they have experienced.

The inherent uncertainty of the next 12 months or longer, including the continued restrictions and recovery from the pandemic and Brexit, means that we need to be flexible and prepared to adapt to a changing environment.

Therefore we have set a one-year strategy that builds on our 2019 -2021 strategy and renews our focus on:

- Excellent Services
- Collaboration

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- Diversity and Inclusion
- Raising our Voice

We are confident that Changing Lives is in a strong position and ready to face the challenges the next year will bring.

Dean Fielding
Chair of Trustees

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Reference and Administrative Information:

Charity Name: The Cyrenians Ltd – Trading as Changing Lives

Charity registration number: 500640

Company registration number: 00995799

Registered Office Unit D13
Marquis Court,
Team Valley Trading Estate
Gateshead
NE11 0RU

Trustees:

Dean Fielding	Chair
Steve Guyon	Vice Chair
Lesley Telford	Treasurer
Michael Barton	
Pete Brown	
Catherine Hearne	
Geraldine Kay	

Maggie Pavlou	(resigned 1 December 2020)
Fiona Wharton	(resigned 11 November 2020)

Secretary:

Susan Carr

Senior Management Team:

Stephen Bell	Chief Executive
Becky Elton	Deputy Chief Executive
Laura Seebohm	Executive Director, External Affairs
Nigel Dawson	Interim Director of Finance
Lesley-Anne Knowles	Executive Director, People

Auditors:

MHA Tait Walker
Bulman House, Regent Centre
Gosforth, Newcastle upon Tyne
NE3 3LS

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Bankers:

Barclays Bank plc
Newcastle City 9
49 – 51 Northumberland Street
Newcastle upon Tyne, NE1 7AF

Solicitors:

Ward Hadaway LLP
Sandgate House
Newcastle upon Tyne
NE1 3DX

Womble Bond Dickinson LLP
112 Quayside
Newcastle upon Tyne
NE1 3DX

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Structure, Governance and Management

The Charity group is comprised of the parent company, The Cyrenians Ltd and its wholly owned subsidiary TCUK Homes Ltd, the latter a company limited by guarantee and a registered social landlord.

Governing Document:

The charity's name is The Cyrenians Limited, however the charity operates under the name of Changing Lives. It is a charity registered in the United Kingdom, charity No. 500640, and a company limited by guarantee, registered in England, Company No. 00995799.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association, revised in 2017.

Appointment of trustees:

Trustees are appointed at the Annual General Meeting and the term of office is four years, after which they have the opportunity to be re-elected for a further period of four years.

The charity undertakes a regular skills audit of the board, and when vacancies arise it tries to recruit from areas in which the Board has no professional background. There is also a strong focus on the recruitment of board members with "lived experience" of the areas of focus for the charity.

Trustee induction and training:

A new member's Induction Package includes the following:

- Governance Handbook
- Membership Form (to be completed and returned)
- Companies House Form (to be completed and returned)
- DBS Form (to be completed and returned, and updated every three years)
- The Role of the Board of Directors
- Board Members information Sheets
- Organisational Chart
- Most recent audited accounts
- Changing Lives Strategic and Business Plan
- Board Meeting Schedule
- Copies of the last three Board Meeting minutes.

The Chair encourages new members to visit Changing Lives Projects to better understand the work that we undertake.

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Changing Lives trustees understand that effective governance is crucial to the running of the charity. The charity governance code is a key tool in ensuring that this is achieved. Trustees will be working through the principles of the good governance toolkit culminating in a self-evaluation, and Changing Lives is arranging for a range of training for board members.

Trustees participate in a range of activities to promote the charity, including hosting and attending fundraising events and influencing policy through participation at round tables and seminars on behalf of the charity. Trustees also use their professional and social networks to promote the charity, as well as joining in the conversation on social media to promote Changing Lives.

Trustees undertake regular project visits to engage with staff and people who use our services. When required trustees attend meetings with funders, commissioners and other stakeholders. The charity also commissions regular stakeholder surveys to find out views from stakeholders and the trustees receive and discuss the full reports and agree action upon the surveys.

Organisation:

Changing Lives has a board of at least 6 and up to 15 members who meet regularly and are responsible for the strategic direction and policy of the charity. At present the board has 7 members from a variety of professional backgrounds relevant to the work of the charity.

The work of the Board is supported by the following sub committees:

- Finance
- Risk and Compliance
- Remuneration

The Chief Executive on behalf of the Directors manages the charity with the help of a Senior Leadership Team. There is a clear structure and reporting accountabilities that run throughout the organisation, and details of those matters reserved to the Board, and those areas where decision-making power is delegated are set out in a detailed policy.

Related parties and co-operation with other organisations:

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or member of the Senior Leadership Team must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions are reported in note **.

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Objectives and Activities

Purpose and Aims

Our charity's purposes as set out in the objects contained in the company's memorandum of association are:

To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to lead sustainably independent and fulfilled lives.

To relieve the poverty of those in need, in particular the homeless or those at risk of homelessness.

The relief of the physical and mental sickness of persons in need; through the provision of treatments, including medical or psychosocial interventions, counselling and support.

To provide, for the benefit of the public, assistance through conciliation and mediation of persons whose relationships have, or are at risk of having, broken down and to advise and help in the settlement of differences over issues connected to such relationships.

"Socially excluded" means being excluded from society, or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender reassignment; poor educational or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards); crime (either as a victim of crime or as an offender rehabilitating into society); being a member of a socially and economically deprived community.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Our main objectives for the year continued to be delivering high quality services through our "Four Pillars".

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Four Pillars

Housing and Homelessness Service:

There are a range of circumstances which mean people find themselves homeless, including family breakdown, addictions, mental and physical ill health and leaving prison or hospital. We want homelessness to be a brief transitory period in someone's life, not a permanent label or a cycle from which people find it hard to escape. Our homelessness services provide a safe place to stay, help to sort out practical issues, and strengths based support.

The ultimate aim is for people to transition out of homelessness and tough times in their lives quickly and positively, with a whole new community-based network of support built around them ready for the next steps in their journey.

Drug and Alcohol Service:

Addiction is one of the biggest factors in social exclusion, and the two often go hand-in-hand. Our dedicated drug and alcohol services offer tailored support to adults who are thinking about abstinence from drugs, alcohol, and/or substitute medications, and those who are taking active steps towards it.

Across the North East and Yorkshire, we are on hand to help people take their first steps towards abstinence, support their ongoing recovery, and celebrate the recovery community.

Women and Children's Service:

Changing Lives' Women's Services reach out and support women and girls at risk and who may experience a range of complex needs. At Changing Lives we provide support around vulnerabilities which are directly affected by gender, often relating to experiences of childhood trauma and abuse, which can continue into adolescence and adulthood.

Our dedicated staff members support women:

- with experience of sex work, survival sex and/or sexual exploitation
- with experience of domestic abuse
- with experience of the Criminal Justice System
- in need of recovery services for themselves and their family
- experiencing homelessness

Through our supported accommodation, women's centres, outreach services and community hubs, we take a women-centred approach to supporting our clients to lead fulfilling lives. This means:

- Women-only spaces
- Safe and trusted environments
- Trauma-informed approach, based on empathy, consistency, boundaries and an acknowledgement of the reality of each individual's life
- Strengths based approach that fosters empowerment and choice
- Recovery-focused work, including peer support and opportunities to share common experiences

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Employment Services:

Employment Services help people who face barriers to the job market get employment-ready and secure sustainable jobs.

We support people to gain the confidence and skills they need to access employment by matching every person with an employment coach who will work with them on a one to one basis.

We work to empower people to take control of their futures. But we understand that often, people come to us with low self-esteem and no confidence in their abilities, because of past trauma and abuse.

We therefore prioritise workshops that can help boost confidence, as well as offering support developing CVs and setting up work placements.

In 2020/21 we worked with around 12,000 people across our services and four pillars, in the Midlands, the North and Westminster to integrate services and develop new approaches that are person-led. We respond to the people we are working with using our Theory of Change, Being, Becoming, Belonging.

Our volunteers:

Our work is supported by a committed team of over 122 volunteers who collectively contributed over 16,000 hours in 2020/21. Volunteers support us across our services in a variety of roles including counselling, mentoring and in our central services. We were proud to achieve Investors in Volunteers quality mark status.

Public Benefit:

We promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to lead sustainably independent and fulfilled lives.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and Performance:

Review of Operations

2020/21 was an extraordinary year for Changing Lives' operational services. We started the year in a national lockdown, which presented huge challenges to the running of our services. We quickly moved services online or over the telephone where possible but the majority of our homelessness and outreach services continued with face to face delivery. The teams on the frontline did an incredible job to adapt to the ever changing situation and keep the focus on making sure that people we work with were supported and safe.

Our services also continued to develop, in May 2020 we welcomed the Halton Homelessness Services, Brennan Lodge and Halton Lodge, into the organisation and now provide over 100

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supported bedspaces in the area. We expanded into Westminster and Northamptonshire, through our partnership with Mayday Trust, who transferred 172 supported accommodation units and the Westminster Personal Transitions Service over to Changing Lives. We also secured DCMS funding to demonstrate the value of Changing Lives services delivering Trauma-Informed support to people we work with experiencing multiple disadvantage with learning internally and externally to influence public services and commissioning.

We continued to build on our aspiration that everyone has their 'own front door', that is, self-contained accommodation where they have time and space to recover from homelessness and what led them to homelessness, by nearing completion of the transformation of large 52-bed hostel in Newcastle into self-contained flats, opening in May 2021.

It was with sadness, however, that we said goodbye to our colleagues at the Halton Domestic Abuse Service and Wear Recovery when the contracts transferred to other providers.

We were also concerned with ensuring the voices of the people we support were heard during the pandemic, and completed two significant pieces of research and influencing work, Learning to Listen Again, which heard directly from people using our services about how the pandemic was affecting them, and Nowhere to Turn highlighting the increase in sexual violence during the pandemic. We also reached our final year of the DCMS Tampon Tax funded Stage Project, a partnership project which supported survivors of sexual exploitation and worked to influence policy and practice locally and nationally. The continuation funding of Stage for the next three years (to 2024) recognises the gap in provision in this area.

In common with many organisations across the country we also challenged ourselves on our Equality Diversity and Inclusion performance, and commissioned 100 White Allies to support a programme of deep listening work across our staff teams to explore experiences of race and racism and potential implications of structural racism within the organisation.

Future Plans

Our 2021/22 Strategy sets out our overarching objectives for the year ahead.

1. Excellent services: Our wide range of services for people experiencing challenging times, disadvantage and discrimination are underpinned by our Theory of Change, – Being Becoming Belonging – enabling those we support to live flourishing lives. We will continue to improve, adapt and develop our services to ensure we are delivering the best possible support where we're needed. To do this we will:

- Embed Being Becoming Belonging in all that we deliver and all of our activities, ensuring that everyone who works for Changing Lives has a strong sense of purpose and understanding of how we work.
- Shift power and control away from the centre of the organisation, so services are led locally, can focus on what matters to people we work with and are supported to be creative, agile, flexible and sustainable.
- Improve our understanding and measurement of what really matters to the people we work with, allowing us to better reflect on and learn from practice.

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- Ensure we are rooted in the communities in which we work and develop new services alongside the people we work with and other stakeholders.
- Learn from our response to the Coronavirus pandemic restrictions and the listening work we have undertaken to further develop our service offers, including through digital platforms.
- Focus on Ministry of Justice dynamic framework, including putting resource into tendering across the organisation to expand our national presence in supporting women in the Criminal Justice System.

2. **Collaboration:** Relationships are central to what we do. We cannot change lives alone, to do the very best for the people we work with means collaborating, both internally and externally, with a strong shared purpose. We collaborate with the people we work with to co-create plans for the future. We join forces with other organisations and with commissioners and funders to deliver our services. However people arrive at our services, we work with colleagues in other Changing Lives and wider services, to ensure people can access what they need to move on. We will continue to strengthen collaboration across the organisation and our formal and informal partnerships by:

- Developing and sustaining strategic partnerships that help achieve our purpose, support a diverse voluntary and community sector and support the public sector to meet the needs of the people we work with.
- Building on our Creating Impact work to develop place-based plans for each area we work in.
- Working with Better Way Network to influence different ways of working and the move towards strengths based practice.
- Continue to engage with influencing partnerships, including national infrastructure organisations such as Clinks, Homeless Link, and Collective Voice.

3. **Diversity and inclusion:** Systemic discrimination is a significant factor for many of the people we work with, keeping people trapped in the system and unable to fulfil their potential. We recognise that at Changing Lives we have not done enough as an organisation to be proactively anti-discriminatory and in particular to be anti-racist. We want our staff teams and leadership to reflect the communities in which we work and be open and relevant for people who need our services. We commit to improving diversity and inclusion at all levels of the organisation. To do this we will:

- Recruit senior staff and board members to better reflect communities in which we work and ensure our decisions are informed by diverse perspectives.
- Ensure we are accessible and inclusive to all minoritised groups in our communities, working with colleagues, people who use our services and partner organizations.
- Continue to listen and respond to people who experience racism and other forms of discrimination, both our colleagues and people who use services, and use the opportunities we have to influence policy, funders and the public to further anti-discriminatory action within society.
- Develop a clear and measurable diversity and inclusion action plan in collaboration with colleagues and people we work with.

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4. **Raising Our Voice:** People we work with are often unheard in decisions that directly affect them. We are committed to raising their voices by contributing to debates at national, regional and local levels. We will be vocal advocates for the people we are here to support across our themes of homelessness, recovery, employment, women and children.
- Build on the work we have been doing to measure impact and listen to people we work with, to understand, articulate and evidence what really matters to people.
 - Connect with people who are working on social change, in particular through devolution, levelling up the north and Integrated Care Systems.
 - Work in collaboration with other charities and networks to influence change together.
 - Use our 50th Anniversary year to share our learning about what works and what matters with a wide range of stakeholders.

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Energy and Carbon Usage:

The charity is reporting under this disclosure requirement for the first time and has taken advantage of the exemption this year with regard to reporting prior year comparisons.

Much of our work is around housing and homelessness. At the end of the financial year, the group had 998 housing units. Our types of property vary from individual rooms, to multi occupancy buildings, houses and offices. During the year we employed an energy agency to manage our gas and electricity suppliers and the process of review, consolidation of suppliers, seeking best value etc. is ongoing.

Despite the size of the organisation, we own/lease few vehicles and around 25% of our direct vehicle fuel costs for the year related to our subsidiary Fareshare, which we disposed of on 30 June 2020.

UK Greenhouse gas emissions and energy use data for the year ended 31 March 2021	Current reporting year 2021
Energy consumption used to calculate emissions (kwh):	
Gas	5,128,271
Electricity	1,208,914
Transport fuel	295,376
Total	6,632,561
Scope 1 emissions in metric tonnes CO ₂ e	
Gas Consumption	939.29
Owned Transport	48.68
Total Scope 1	987.97
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased Electricity	256.69
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	33.96
Total gross emissions in metric tonnes CO ₂ e	1,278.62
Intensity ratio Tonnes CO ₂ e per unit	1.28

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per housing unit, the most relevant measure as most of our emissions arise from our housing and homelessness work.

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Measures taken to improve efficiency rating

We have increased the use of video conferencing technology for staff and other meeting

Employees

Employee Engagement:

Engaging our employees through the pandemic presented many new challenges and opportunities. As our services adapted rapidly during the pandemic, to make sure we could continue to deliver our vital services safely, so too did our ways of engaging with employees. As an organisation that previously relied heavily on face-to-face engagement between directors and employees, we rapidly had to find new communication channels.

“Open door” sessions via Microsoft Teams were set up in order to create a direct dialogue between directors and employees during the height of the pandemic. Every fortnight, all employees were invited to speak with two members of the executive team about whatever was on their minds. Topics ranged from experiences of lockdown, to wellbeing, to digital poverty, giving the executive team insight into some of the challenges facing colleagues in different parts of the organisation.

Directors also meet on a quarterly basis with members of the Staff Voice Forum, whose role it is to advocate for staff around the issues that are most important to them. Employee resource groups, the Solidarity forum (for black and ethnic minority employees) and the LGBTQIA+ wellbeing group have also been set up in the past year, who liaise with the Staff Voice Forum to represent the views of their members. Relationships have also been built between our director team and the Solidarity forum to hear the views of our colleagues using a reverse mentoring approach. For our directors, hearing the views of teams across Changing Lives enables better decision making, to create a better, more inclusive workplace for everyone.

We also conducted an all-staff survey at the end of 2020, to give employees a voice, to measure engagement and to identify areas for improvement. Directors were involved in understanding the results and identifying organisational themes upon which to take action. Teams were engaged in local action planning sessions to understand team-level results and address challenge areas.

Since restrictions have been lifted, in addition to the new engagement mechanisms, directors have been regularly visiting services again to build and maintain close working relationships. Our CEO also regularly writes to employees via email and our intranet to communicate around issues of strategic importance.

All new employees who declare a disability are referred to an external occupational health (OH) organisation to be assessed. This assessment will result in recommended adjustments which are then implemented and monitored by our Health and Safety team. Any existing employee who becomes disabled is similarly referred.

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Pay policy for senior staff:

The Remuneration Committee is established to recommend to the main Board an overall remuneration policy that is aligned with its long term business strategy and objectives, enable the recruitment, motivation and retention of senior executives whilst also complying with the requirements of regulation. This includes:

To recommend and monitor the level and structure of remuneration for senior management team.

Agreeing and recommending to the Board the annual staff pay award and its distribution relative to performance ratings.

Commissioning and considering market testing information relating to pay awards of Chief Executive, Executive Directors, and Directors pay.

Receiving reports on recruitment, turnover, sickness trends, employment conditions, staff benefits and other related issues.

Reporting annually to the main Board on the work undertaken by the Committee.

Financial review:

The group achieved a total deficit on £1,479,631 of which £566,596 surplus relates to restricted income funds.

The results for the past two years have been significantly impacted by the timing and accounting treatment of the work on Elliot House, a property in the West of Newcastle. In 2019 we secured grant funding from Homes England to renovate and restructure the interior to provide 36 flats. The grant funding has allowed us to achieve our aims of providing high quality accommodation to those in need, however the ceiling price of the property has been restricted due to its location and as a result the cost of the work has been impaired to the market value.

The grant funding has been treated as restricted funds income, with the impairment being charged against unrestricted income. The impact of the work on Elliot House on the net movement in funds, for the two financial years, is illustrated below:

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Description	Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Unrestricted Funds 2021	Restricted Funds 2021	Total 2021
Net Movement in Funds	(£84,843)	£1,647,567	£1,562,684	(£2,046,227)	£566,596	(£1,479,631)
Homes England Grant	-	(£1,671,224)	(£1,671,224)	-	(£557,074)	(£557,074)
Elliot House Impairment	£548,800	-	£548,800	£3,043,916	-	£3,043,916
Net Movement in Funds	£463,957	(£23,657)	£440,300	£997,689	£9,522	£1,007,211

Investment policy:

The trustees, having regard to the liquidity requirements of operating the charity, have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index. Due to wider economic circumstances deposit rates have been depressed and so this aim was not achieved in the year.

During the year, trustees took the opportunity to repay certain bank loans to reduce the interest cost to the charity

The charity gifted its investment in The Cyrenians Fareshare North East Ltd to Fareshare North East on 30 June. In addition the joint venture company Northern Inclusion Consortium was wound up on 30 September, with the investment being impaired in the accounts to the value of the final distribution, received in April 2021.

Reserves policy and going concern

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. Resulting from this, the trustees consider it prudent to maintain unrestricted free reserves at a level sufficient to cover between two to four months of staff costs and lease commitments which equates to approx. £3million. At the 31 March 2021 the level of free reserves held by the charity was (£270,875), (2020 £749,619). The level of unrestricted reserves held by the charity at the year-end was £7,592,889 (2019 - £9,639,116).

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As part of the reserves policy the trustees have designated the following funds; Sinking fund of £640,591 (2020 - £628,506); Core Properties fund and the revaluation reserve £4,712,203 (2020 - £4,511,183). Narrative for these funds can be found in note 26 of the financial statements.

Overall funds of £14,128,510 (2020 - £15,608,141) were held at 31 March 2021 which included restricted amounts of £6,535,621 (2020 - £5,969,025).

Risk management

The directors have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks where necessary.

The Covid-19 pandemic and its knock-on impacts around staffing and use of agency staff are significant risks, there are other external risks around changes in policy that may also impact on funding. This has led to the development of strategic plans which are regularly revised and allow for the diversification of funding and activities. Internal risks are minimized by the implementation of procedures for authorization of all transactions and projects.

The charity maintains a risk register to ensure management of strategic risks, the Risk and Quality Committee has responsibility for oversight and quarterly review of the risk register, all strategic non-compliances and major strategic and operational risks to include safeguarding and health & safety. This Committee is chaired by a trustee, and reports into the main Board.

The charity has a loan with Barclays bank which has a covenant attached to it to monitor certain financial KPIs. Despite this loan, the charity is not particularly highly geared and in the event of a cash shortfall would be able to raise further finance against its assets, mainly property.

A large proportion of our income is derived from Local Authority budgets via housing benefit, contracts for service and grants. The announcement in the Autumn 2021 budget of increases in both National Insurance and National Minimal Wage, when combined with rising inflation, will place considerable cost pressures on these budgets. We are in the process of writing to our funders to raise these issues for discussion and looking at the viability of our projects should suitable increases not be forthcoming.

Our approach to fundraising activities:

The Charity complies with the Code of Fundraising Practice. All funds raised by the Charity will be spent for the purpose for which they are raised. All funds raised through sponsorship activities will be banked into the Charity's bank account before deduction of expenses. All literature will properly describe what donations will be used for. All fundraising activities

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will be conducted in an open honest and transparent manner. Changing Lives does not employ the services of outside professional fundraisers. During the period under review no complaints have been received. Changing Lives values the contribution made by all our donors. Changing Lives will treat all donors with respect and dignity. Changing Lives do not, and will not make, unsolicited calls to members of the public requesting donations.

Trustees' responsibilities in relation to the financial statements:

The charity trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Cyrenians Ltd – Operating as Changing Lives
Report of the trustees (including Directors' Report) for the year ending 31
March 2021

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board of trustees.

14/12/2021



Dean Fielding
Chair of Trustees

The Cyrenians Limited

operating as Changing Lives

Independent Auditor's Report to the Members of The Cyrenians Limited

Opinion

We have audited the financial statements of The Cyrenians Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2021 and of the group's 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.

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 group 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 group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

The Cyrenians Limited

operating as Changing Lives

Independent Auditor's Report to the Members of The Cyrenians Limited

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.

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Financial Statements and the Trustees' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' Responsibilities (set out on page 19), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

The Cyrenians Limited

operating as Changing Lives

Independent Auditor's Report to the Members of The Cyrenians Limited

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:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to stock provisions;
- Review financial statement disclosures and testing to supporting documentation to assess; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; Building and fire safety regulations including; employment law (including the Working Time Directive); Care Quality Commission and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

The Cyrenians Limited

operating as Changing Lives

Independent Auditor's Report to the Members of The Cyrenians Limited

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of MHA Tait Walker

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: *14/12/2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

The Cyrenians Limited

operating as Changing Lives

Consolidated Statement of Financial Activities for the Year Ended 31 March 2021

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	3	444,897	562,555	1,007,452	1,959,556
Charitable activities	4	23,656,930	3,048,510	26,705,440	21,545,182
Other trading activities	5	146,393	-	146,393	785,091
Investment income	6	482	-	482	24,630
Total Income		<u>24,248,702</u>	<u>3,611,065</u>	<u>27,859,767</u>	<u>24,314,459</u>
Expenditure on:					
Raising funds		(7,050)	-	(7,050)	(10,518)
Charitable activities	7	<u>(24,040,998)</u>	<u>(2,247,434)</u>	<u>(26,288,432)</u>	<u>(22,192,457)</u>
Total Expenditure		<u>(24,048,048)</u>	<u>(2,247,434)</u>	<u>(26,295,482)</u>	<u>(22,202,975)</u>
Net income		200,654	1,363,631	1,564,285	2,111,484
Transfers between funds		797,035	(797,035)	-	-
Other recognised gains and losses					
Gains/losses on revaluation of fixed assets		<u>(3,043,916)</u>	<u>-</u>	<u>(3,043,916)</u>	<u>(548,800)</u>
Net movement in funds		(2,046,227)	566,596	(1,479,631)	1,562,684
Reconciliation of funds					
Total funds brought forward		<u>9,639,116</u>	<u>5,969,025</u>	<u>15,608,141</u>	<u>14,045,457</u>
Total funds carried forward	26	<u><u>7,592,889</u></u>	<u><u>6,535,621</u></u>	<u><u>14,128,510</u></u>	<u><u>15,608,141</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 26.

The Cyrenians Limited

operating as Changing Lives

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2020

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	288,332	1,671,224	1,959,556
Charitable activities	4	18,391,849	3,153,333	21,545,182
Other trading activities	5	785,091	-	785,091
Investment income	6	24,630	-	24,630
Total income		<u>19,489,902</u>	<u>4,824,557</u>	<u>24,314,459</u>
Expenditure on:				
Raising funds		(10,518)	-	(10,518)
Charitable activities	7	<u>(19,059,449)</u>	<u>(3,133,008)</u>	<u>(22,192,457)</u>
Total expenditure		<u>(19,069,967)</u>	<u>(3,133,008)</u>	<u>(22,202,975)</u>
Net income		419,935	1,691,549	2,111,484
Transfers between funds		43,982	(43,982)	-
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		<u>(548,800)</u>	<u>-</u>	<u>(548,800)</u>
Net movement in funds		(84,883)	1,647,567	1,562,684
Reconciliation of funds				
Total funds brought forward		<u>9,723,999</u>	<u>4,321,458</u>	<u>14,045,457</u>
Total funds carried forward	26	<u>9,639,116</u>	<u>5,969,025</u>	<u>15,608,141</u>

The Cyrenians Limited

operating as Changing Lives

(Registration number: 00995799)

Consolidated Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	14,073	18,764
Tangible assets	15	15,186,048	15,809,072
Investments	16	10,929	19,538
		<u>15,211,050</u>	<u>15,847,374</u>
Current assets			
Stocks	17	-	295,150
Debtors	18	2,970,456	2,049,920
Cash at bank and in hand	19	3,016,801	5,106,773
		<u>5,987,257</u>	<u>7,451,843</u>
Creditors: Amounts falling due within one year	20	<u>(4,329,655)</u>	<u>(3,742,397)</u>
Net current assets		<u>1,657,602</u>	<u>3,709,446</u>
Total assets less current liabilities		16,868,652	19,556,820
Creditors: Amounts falling due after more than one year	21	(2,740,142)	(3,941,381)
Provisions	23	-	(7,298)
Net assets		<u>14,128,510</u>	<u>15,608,141</u>
Funds of the group:			
Restricted		<u>6,535,621</u>	<u>5,969,025</u>
Unrestricted income funds			
Designated funds		5,352,794	6,340,269
General funds		<u>2,240,095</u>	<u>3,298,847</u>
Total unrestricted funds		<u>7,592,889</u>	<u>9,639,116</u>
Total funds	26	<u>14,128,510</u>	<u>15,608,141</u>

The financial statements on pages 24 to 64 were approved by the trustees, and authorised for issue on 19.12.2021 and signed on their behalf by:



.....
D A Fielding
Chair

The Cyrenians Limited

operating as Changing Lives

(Registration number: 00995799)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	14,073	18,764
Tangible assets	15	14,984,225	15,482,782
Investments	16	10,929	19,539
		<u>15,009,227</u>	<u>15,521,085</u>
Current assets			
Stocks	17	-	295,150
Debtors	18	2,789,314	1,882,221
Cash at bank and in hand	19	2,898,221	4,241,401
		<u>5,687,535</u>	<u>6,418,772</u>
Creditors: Amounts falling due within one year	20	<u>(4,140,436)</u>	<u>(4,357,016)</u>
Net current assets		<u>1,547,099</u>	<u>2,061,756</u>
Total assets less current liabilities		16,556,326	17,582,841
Creditors: Amounts falling due after more than one year	21	<u>(7,968,206)</u>	<u>(7,015,966)</u>
Net assets		<u>8,588,120</u>	<u>10,566,875</u>
Funds of the charity:			
Restricted		<u>832,901</u>	<u>655,049</u>
Unrestricted income funds			
Designated funds		5,343,466	6,330,941
Unrestricted funds		<u>2,411,753</u>	<u>3,580,885</u>
Total unrestricted funds		<u>7,755,219</u>	<u>9,911,826</u>
Total funds	26	<u>8,588,120</u>	<u>10,566,875</u>

The charity made a deficit after tax for the financial year of £1,978,755 (2020 - deficit of £121,174).

The financial statements on pages 24 to 64 were approved by the trustees, and authorised for issue on ~~14.12.2021~~ and signed on their behalf by:



.....
D A Fielding
Chair

The Cyrenians Limited

operating as Changing Lives

Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		1,564,285	2,111,484
Adjustments to cash flows from non-cash items			
Depreciation		537,971	644,176
Amortisation		4,691	4,692
Investment income	6	(482)	(24,630)
Interest payable		77,863	296,396
Impairment loss on disposal of fixed assets held for the group's own use		8,609	-
		<u>2,192,937</u>	<u>3,032,118</u>
Working capital adjustments			
Decrease/(increase) in stocks	17	295,150	(295,150)
Increase in debtors	18	(920,536)	(575,836)
Increase in creditors	20	717,337	627,631
(Decrease)/increase in provisions	23	(7,298)	7,298
(Decrease)/increase in deferred income	21	(6,879)	325,864
Net cash flows from operating activities		<u>2,270,711</u>	<u>3,121,925</u>
Cash flows from investing activities			
Interest receivable and similar income	6	482	24,630
Purchase of tangible fixed assets	15	(3,067,144)	(576,968)
Sale of tangible fixed assets		108,281	370,282
Net cash flows from investing activities		<u>(2,958,381)</u>	<u>(182,056)</u>
Cash flows from financing activities			
Interest payable and similar charges		(77,863)	(296,396)
Repayment of loans and borrowings	20	(1,303,878)	(541,735)
Repayment of capital element of finance leases and HP contracts	22	(20,561)	-
Net cash flows from financing activities		<u>(1,402,302)</u>	<u>(838,131)</u>
Net (decrease)/increase in cash and cash equivalents		(2,089,972)	2,101,738
Cash and cash equivalents at 1 April		<u>5,106,773</u>	<u>3,005,035</u>
Cash and cash equivalents at 31 March		<u>3,016,801</u>	<u>5,106,773</u>

All of the cash flows are derived from continuing operations during the above two periods.

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Unit D13, Marquis Court, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0RU.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Cyrenians Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in Sterling which is the functional currency.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2021.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £1,978,755, after recognising an impairment on Elliott House totalling £3,043,916 (2020 - deficit of £121,174).

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2021

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Determine whether leases entered into by Changing Lives either as a lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are any indicators of impairment of Changing Lives tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying amount is £15,186,048 (2020 - £15,809,072).

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2021

Income and endowments

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then the income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS102). Further detail is given in the Trustees' Annual Report.

Grants receivable

Revenue grants receivable are credited to income immediately where entitlement is not conditional on the delivery of specific performance criteria by the group. Where grants relate to performance and specific deliverables, income is accounted for as the group earns its right to consideration by its performance.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Other trading activities

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raised funds and is recognised when entitlement has occurred.

Investment income

Interest is included when receivable by the group.

Charitable activities

The recognition of income received in relation to the Social Housing Grant within the consolidated accounts is done so using the performance model in line with the charities SORP.

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2021

Other income

Net Assets transferred on the acquisition of entities into the group are recorded within voluntary income at the value that the assets are worth on the date of the transfer.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's (and the group's) activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the Support Cost note.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2021

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Rebranding	10% straight line

Tangible fixed assets

Individual fixed assets are initially recorded at cost.

Where fixed assets have been previously carried at a revalued amount, upon transition to FRS102 deemed cost was adopted.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold property improvements	Straight line over the period of the lease
Freehold and leasehold property	2% - 15% straight line
Motor vehicles	25% straight line
Fixtures and fittings	25% - 33% straight line

No depreciation is provided on land.

Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount.

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2021

Fixed asset investments

Investments in subsidiaries are recognised at cost.

Investments in associates are measured at cost less impairment.

Stock

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the Year Ended 31 March 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the group.

The group has designated certain funds for specific purposes. These are explained in more detail in the notes. The directors have decided that setting aside funds in this way is a useful financial discipline, which will help the group make the best use of its resources, even though there is no legal force to the designation.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Hire purchase and finance leases

Assets held for use in operating leases are included as a separate category in fixed assets at cost and depreciated over their useful life.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Amounts due under finance leases are included as a debtor at the amount of the net investment in the lease.

Lease payments receivable are apportioned between repayments of capital and interest so as to give a constant periodic rate of return on the net investment in the lease.

Pensions and other post retirement obligations

The group also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the income and expenditure account.

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Notes to the Financial Statements for the Year Ended 31 March 2021

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Donations and legacies;			
Donations from individuals	132,501	-	132,501
Legacies	298	-	298
Grants, including capital grants;			
Government grants	7,076	557,074	564,150
Grants from other agencies	305,022	5,481	310,503
	<u>444,897</u>	<u>562,555</u>	<u>1,007,452</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Donations and legacies;			
Donations from individuals	160,290	-	160,290
Legacies	1,822	-	1,822
Grants, including capital grants;			
Government grants	126,220	1,671,224	1,797,444
	<u>288,332</u>	<u>1,671,224</u>	<u>1,959,556</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Homelessness including Day Centre & Outreach	16,061,959	1,195,435	17,257,394
Addictions and Recovery	4,065,868	44,370	4,110,238
Employment and Training	865,352	45,785	911,137
Womens Services including Family	2,663,751	1,762,920	4,426,671
	<u>23,656,930</u>	<u>3,048,510</u>	<u>26,705,440</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Homelessness including Day Centre & Outreach	11,792,632	1,401,718	13,194,350
Addictions and Recovery	3,560,708	329,090	3,889,798
Employment and Training	781,597	47,861	829,458
Womens Services including Family	2,256,912	1,374,664	3,631,576
	<u>18,391,849</u>	<u>3,153,333</u>	<u>21,545,182</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2021 £
Trading income;		
Sales of goods and services	25,547	25,547
Events income;		
Fundraising	5,144	5,144
Membership subscriptions	(987)	(987)
Property rental income	17,660	17,660
Other income from other trading activities	99,029	99,029
	<u>146,393</u>	<u>146,393</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

	Unrestricted funds General £	Total 2020 £
Trading income; Sales of goods and services	112,206	112,206
Events income; Fundraising	2,260	2,260
Membership subscriptions	124,102	124,102
Property rental income	33,014	33,014
Other income from other trading activities	513,509	513,509
	<u>785,091</u>	<u>785,091</u>

6 Investment income

	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income; Interest receivable on bank deposits	482	482
	<u>482</u>	<u>482</u>

	Unrestricted funds General £	Total 2020 £
Interest receivable and similar income; Interest receivable on bank deposits	17,044	17,044
Share of profit in associate	7,586	7,586
	<u>24,630</u>	<u>24,630</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

7 Expenditure on charitable activities

	Note	Unrestricted funds Designated £	General £	Restricted funds £	Total 2021 £
Homelessness including Day Centre & Outreach		144,479	16,033,021	750,529	16,928,029
Addictions and Recovery		-	4,189,224	19,405	4,208,629
Employment and Training		-	923,408	10,010	933,418
Womens Services including Family		-	2,750,866	1,467,490	4,218,356
		<u>144,479</u>	<u>23,896,519</u>	<u>2,247,434</u>	<u>26,288,432</u>

	Note	Unrestricted funds Designated £	General £	Restricted funds £	Total 2020 £
Homelessness including Day Centre & Outreach		75,570	13,809,327	1,387,808	15,272,705
Addictions and Recovery		-	2,710,887	323,852	3,034,739
Employment and Training		-	806,635	47,861	854,496
Womens Services including Family		-	1,657,030	1,373,487	3,030,517
		<u>75,570</u>	<u>18,983,879</u>	<u>3,133,008</u>	<u>22,192,457</u>

	Activity undertaken directly £	Activity support costs £	2021 £
Homelessness including Day Centre & Outreach	15,855,215	1,072,814	16,928,029
Addictions and Recovery	3,931,128	277,501	4,208,629
Employment and Training	853,315	80,103	933,418
Womens Services including Family	<u>3,929,412</u>	<u>288,944</u>	<u>4,218,356</u>
	<u>24,569,070</u>	<u>1,719,362</u>	<u>26,288,432</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

	Activity undertaken directly £	Activity support costs £	2020 £
Homelessness including Day Centre & Outreach	13,852,343	1,420,362	15,272,705
Addictions and Recovery	2,752,508	282,231	3,034,739
Employment and Training	775,028	79,468	854,496
Womens Services including Family	2,748,679	281,838	3,030,517
	<u>20,128,558</u>	<u>2,063,899</u>	<u>22,192,457</u>

In addition to the expenditure analysed above, there are also governance costs of £74,517 (2020 - £135,335) which relate directly to charitable activities. See note 8 for further details.

8 Analysis of support costs

Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Other support costs £	Total 2021 £	Total 2020 £
Homelessness including Day Centre & Outreach	Estimate of staff time	74,517	998,297	1,072,814	1,420,362
Addictions and Recovery	Estimate of staff time	-	277,501	277,501	282,231
Employment and Training	Estimate of staff time	-	80,103	80,103	79,468
Womens Services including Family	Estimate of staff time	-	288,944	288,944	281,838
		<u>74,517</u>	<u>1,644,845</u>	<u>1,719,362</u>	<u>2,063,899</u>

Governance costs

	Total 2021 £	Total 2020 £
Salary costs	45,238	103,955
Audit fees and other professional fees	29,279	31,380
	<u>74,517</u>	<u>135,335</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Audit fees	19,500	21,500
Other non-audit services	8,500	8,500
Impairment loss on disposal of fixed assets held for the group's own use	8,609	-
Depreciation of fixed assets	537,971	644,176
Amortisation of goodwill	<u>4,691</u>	<u>4,692</u>

Included in other recognised gains and losses is the impairment on the refurbishment of Elliot House totalling £3,043,916 (2020 - £548,800).

10 Trustees remuneration and expenses

Trustees were reimbursed expenses of £Nil (2020 - £2,595).

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	13,091,476	11,560,987
Social security costs	1,063,141	966,848
Pension costs	784,874	728,389
Compensation payments	<u>21,858</u>	<u>102,074</u>
	<u>14,961,349</u>	<u>13,358,298</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

The monthly average number of persons (including senior management team) employed by the group during the year was as follows:

	2021 No	2020 No
Corporate Services	75	77
Health and Addictions	97	82
Housing and Homeless	375	277
Women and Criminal Justice	101	99
Communications Social Enterprise and Fundraising	-	44
Employment & Training	28	-
	<u>676</u>	<u>579</u>

During the year, the group made redundancy and/or termination payments which totalled £21,858 (2020 - £102,074).

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£60,001 - £70,000	3	2
£80,001 - £90,000	1	1
£110,001 - £120,000	<u>1</u>	<u>2</u>

The total contributions paid to the defined contribution pension scheme during the year for higher paid staff was £38,416 (2020 - £63,843).

The total employee benefits of the key management personnel of the group were £428,443 (2020 - £505,915).

12 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>19,500</u>	<u>21,500</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

13 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

14 Intangible fixed assets

Group and Charity

	Rebranding £
Cost	
At 1 April 2020	<u>46,911</u>
At 31 March 2021	<u>46,911</u>
Amortisation	
At 1 April 2020	28,147
Charge for the year	<u>4,691</u>
At 31 March 2021	<u>32,838</u>
Net book value	
At 31 March 2021	<u>14,073</u>
At 31 March 2020	<u>18,764</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

15 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2020	18,577,141	1,417,487	211,662	20,206,290
Additions	2,784,373	282,771	-	3,067,144
Disposals	(470,944)	(119,837)	(125,225)	(716,006)
Transfers	(26,339)	26,339	-	-
At 31 March 2021	<u>20,864,231</u>	<u>1,606,760</u>	<u>86,437</u>	<u>22,557,428</u>
Depreciation				
At 1 April 2020	3,062,233	1,166,511	168,474	4,397,218
Impairment	3,043,916	-	-	3,043,916
Charge for the year	383,784	144,380	9,807	537,971
Eliminated on disposals	(470,944)	(44,937)	(91,844)	(607,725)
At 31 March 2021	<u>6,018,989</u>	<u>1,265,954</u>	<u>86,437</u>	<u>7,371,380</u>
Net book value				
At 31 March 2021	<u>14,845,242</u>	<u>340,806</u>	<u>-</u>	<u>15,186,048</u>
At 31 March 2020	<u>15,514,908</u>	<u>250,976</u>	<u>43,188</u>	<u>15,809,072</u>

Included within the net book value of land and buildings above is £14,576,262 (2020 - £15,204,695) in respect of freehold land and buildings and £268,980 (2020 - £310,213) in respect of leaseholds.

Certain freehold land and buildings included above were recognised using the previous valuation, as deemed cost on transition to FRS102. Therefore, at the year end the land and buildings are held at their deemed historic cost.

The valuation of Elliot House, performed by Lambert Smith Hampton on 12 August 2021, was prepared on the basis of value in use within the charitable company's objectives.

Impairment

Freehold property

Following the refurbishment of Elliot House, which has an expected completion date during the 2022 financial year, the value of the property is estimated to be £2,300,000. This has resulted in an impairment as shown in the note above. The amount of impairment loss included in the SoFA is £3,043,916 (2020 - £548,800). The impairment loss is included in land & buildings.

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Notes to the Financial Statements for the Year Ended 31 March 2021

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2020	18,380,514	1,280,810	126,394	19,787,718
Additions	2,784,373	259,225	-	3,043,598
Disposals	(470,944)	-	(40,752)	(511,696)
At 31 March 2021	<u>20,693,943</u>	<u>1,540,035</u>	<u>85,642</u>	<u>22,319,620</u>
Depreciation				
At 1 April 2020	3,069,670	1,116,724	118,542	4,304,936
Impairment	3,043,916	-	-	3,043,916
Charge for the year	363,260	127,127	4,833	495,220
Eliminated on disposals	(470,944)	-	(37,733)	(508,677)
At 31 March 2021	<u>6,005,902</u>	<u>1,243,851</u>	<u>85,642</u>	<u>7,335,395</u>
Net book value				
At 31 March 2021	<u>14,688,041</u>	<u>296,184</u>	<u>-</u>	<u>14,984,225</u>
At 31 March 2020	<u>15,310,844</u>	<u>164,086</u>	<u>7,852</u>	<u>15,482,782</u>

Included within the net book value of land and buildings above is £14,442,530 (2020 - £15,024,100) in respect of freehold land and buildings and £245,511 (2020 - £286,744) in respect of leaseholds.

Certain freehold land and buildings included above were recognised using the previous valuation, as deemed cost on transition to FRS102. Therefore, at the year end the land and buildings are held at their deemed historic cost.

The valuation of Elliot House, performed by Lambert Smith Hampton on 12 August 2021, was prepared on the basis of value in use within the charitable company's objectives.

Impairment

Freehold property

Following the refurbishment of Elliot House, which has an expected completion date during the 2022 financial year, the value of the property is estimated to be £2,300,000. This has resulted in an impairment as shown in the note above. The amount of impairment loss included in the SoFA is £3,043,916 (2020 - £548,800). The impairment loss is included in land & buildings.

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Notes to the Financial Statements for the Year Ended 31 March 2021

16 Fixed asset investments

Group

	2021 £	2020 £
Other investments	<u>10,929</u>	<u>19,538</u>

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2021	2020	
Associates					
Northern Inclusion Consortium	England	Ordinary	25%	25%	Procurement services

Other investments

	Unlisted investments £
Cost or Valuation	
At 1 April 2020	<u>30,000</u>
At 31 March 2021	<u>30,000</u>
Provision for impairment	
At 1 April 2020	10,462
Charge for year	<u>8,609</u>
At 31 March 2021	<u>19,071</u>
Net book value	
At 31 March 2021	<u>10,929</u>
At 31 March 2020	<u>19,538</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

Associates

Aggregate financial information of associates

	2021 £	2020 £
Total assets	125,271	256,608
Total liabilities	<u>(81,325)</u>	<u>(143,577)</u>
Net assets	<u>43,946</u>	<u>113,031</u>
Revenues	<u>1,538,544</u>	<u>2,948,371</u>
Profit or loss	<u>(69,085)</u>	<u>1,794</u>

Charity

	2021 £	2020 £
Other investments	<u>10,929</u>	<u>19,538</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2020	1	1
Disposals	<u>(1)</u>	<u>(1)</u>
At 31 March 2021	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2021	<u>-</u>	<u>-</u>
At 31 March 2020	<u>1</u>	<u>1</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

Other investments

	Unlisted investments £	Total £
Cost or Valuation		
At 1 April 2020	30,000	30,000
At 31 March 2021	30,000	30,000
Provision for impairment		
At 1 April 2020	10,462	10,462
Charge for year	8,609	8,609
At 31 March 2021	19,071	19,071
Net book value		
At 31 March 2021	10,929	10,929
At 31 March 2020	19,538	19,538

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2021	2020	
Subsidiary undertakings					
TCUK Homes Limited	England	Limited by Guarantee	100%	100%	Provision of social housing
Cyrenians Fareshare North East Community Interest Company	England	Ordinary	0%	100%	Redistribution of surplus fresh food

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Notes to the Financial Statements for the Year Ended 31 March 2021

Subsidiaries

The loss for the financial period of TCUK Homes Limited was £11,622 (2020 - £16,427 surplus) and the aggregate amount of capital and reserves at the end of the period was (£44,685) (2020 - (£33,063)).

17 Stock

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Properties held for sale	-	295,150	-	295,150

18 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	751,285	898,170	750,541	887,966
Due from group undertakings	-	-	624,870	45,136
Prepayments	523,354	240,387	463,925	219,895
Accrued income	1,178,202	536,413	621,128	536,413
Other debtors	517,615	374,950	328,850	192,811
	<u>2,970,456</u>	<u>2,049,920</u>	<u>2,789,314</u>	<u>1,882,221</u>

Group trade debtors includes a bad debt provision of £Nil (2020 - £205). Group other debtors includes a bad debt provision of £619,108 (2020 - £340,853).

Charity trade debtors includes a bad debt provision of £Nil (2020 - £205). Charity other debtors includes a bad debt provision of £429,574 (2020 - £242,324).

19 Cash and cash equivalents

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Cash on hand	5,250	6,688	5,250	6,497
Cash at bank	318,580	1,072,605	200,000	207,424
Short-term deposits	<u>2,692,971</u>	<u>4,027,480</u>	<u>2,692,971</u>	<u>4,027,480</u>
	<u>3,016,801</u>	<u>5,106,773</u>	<u>2,898,221</u>	<u>4,241,401</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

20 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	299,651	411,636	299,651	411,636
Trade creditors	765,235	507,317	672,592	462,914
Hire purchase and finance leases	-	11,215	-	-
Other taxation and social security	310,408	286,304	254,607	259,096
Other creditors	114,550	89,037	112,793	887,079
Accruals	1,029,916	620,114	990,898	585,807
Deferred income	1,809,895	1,816,774	1,809,895	1,750,484
	<u>4,329,655</u>	<u>3,742,397</u>	<u>4,140,436</u>	<u>4,357,016</u>

HP liabilities

The HP liabilities are secured against the assets which they relate.

Deferred income

Group

	2021	2020
	£	£
Deferred income at 1 April 2020	1,816,774	1,490,910
Resources deferred in the period	1,809,895	1,816,774
Amounts released from previous periods	<u>(1,816,774)</u>	<u>(1,490,910)</u>
Deferred income at year end	<u>1,809,895</u>	<u>1,816,774</u>

Charity

	2021	2020
	£	£
Deferred income at 1 April 2020	1,750,484	1,452,593
Resources deferred in the period	1,809,895	1,750,484
Amounts released from previous periods	<u>(1,750,484)</u>	<u>(1,452,593)</u>
Deferred income at year end	<u>1,809,895</u>	<u>1,750,484</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

21 Creditors: amounts falling due after one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bank loans	2,740,142	3,932,035	2,740,142	3,932,035
Hire purchase and finance leases	-	9,346	-	-
Other creditors	-	-	5,228,064	3,083,931
	<u>2,740,142</u>	<u>3,941,381</u>	<u>7,968,206</u>	<u>7,015,966</u>

Borrowings

	Repayable Date	Interest Rate	Total 2021 £	Total 2020 £
Loan 7	15 April 2030	Base rate plus 1.45%	-	192,335
Loan 8	17 March 2022	Base rate plus 1.60%	-	361,433
Loan 9	28 September 2023	Base rate plus 1.60%	-	562,164
Loan 10	31 July 2024	Base rate plus 1.60%	2,939,793	3,127,739
Big issue investment		Nil	100,000	100,000
			<u>3,039,793</u>	<u>4,343,671</u>

The bank loans are secured by way of a legal charge over Elliott House, 1-3 Bentinck Terrace, 156 & 158 Hotspur Street, The Fells, Roycroft House, Francis House, 36 Bentinck Road and Ridley Villas.

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Notes to the Financial Statements for the Year Ended 31 March 2021

22 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Land and buildings				
Within one year	2,236,514	1,246,757	1,871,255	1,246,757
Between one and five years	3,511,611	1,903,892	2,958,427	1,903,892
After five years	1,640,336	1,483,402	1,640,336	1,483,402
	<u>7,388,461</u>	<u>4,634,051</u>	<u>6,470,018</u>	<u>4,634,051</u>
Other				
Within one year	44,448	-	44,448	-
Between one and five years	41,622	-	41,622	-
	<u>86,070</u>	<u>-</u>	<u>86,070</u>	<u>-</u>

23 Provisions

Group

	Deferred tax £	Total £
At 1 April 2020	(7,298)	(7,298)
Credited to the statement of recognised gains and losses	7,298	7,298
At 31 March 2021	<u>-</u>	<u>-</u>

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £784,874 (2020 - £728,389).

Contributions totalling £76,845 (2020 - £69,423) were payable to the scheme at the end of the year and are included in creditors.

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Notes to the Financial Statements for the Year Ended 31 March 2021

25 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £274,100 (2020 - £Nil).

Charity

Capital commitments

The total amount contracted for but not provided in the financial statements was £274,100 (2020 - £Nil).

26 Funds

Group

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers and other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted					
General					
Unrestricted funds	4,499,427	24,248,702	(23,903,569)	(2,604,465)	2,240,095
Designated					
Core properties	3,859,403	-	-	201,020	4,060,423
Property sinking fund	628,506	-	(144,479)	156,564	640,591
Revaluation reserve	651,780	-	-	-	651,780
	<u>5,139,689</u>	<u>-</u>	<u>(144,479)</u>	<u>357,584</u>	<u>5,352,794</u>
Total unrestricted	9,639,116	24,248,702	(24,048,048)	(2,246,881)	7,592,889
Restricted					
Restricted Funds	<u>5,969,025</u>	<u>3,611,065</u>	<u>(2,247,434)</u>	<u>(797,035)</u>	<u>6,535,621</u>
Total funds	<u>15,608,141</u>	<u>27,859,767</u>	<u>(26,295,482)</u>	<u>(3,043,916)</u>	<u>14,128,510</u>

The analysis of Restricted Funds can be found at note 30.

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Notes to the Financial Statements for the Year Ended 31 March 2021

Property Sinking Fund

The charity has a portfolio of both leased and owned properties, all of which should be maintained to a high standard to improve quality of service and standards of living. The sinking fund allows for future major repairs/refurbishment to the assets. Each year part of the sinking fund is spent on internal/external redecoration and upgrading and a separate amount is ring-fenced for future spends. The amount ring fenced represents the estimate of works to be carried out on owned buildings over the next 10 years.

Core Properties

The directors have reviewed the reserves policy and have now designated a property fund equal in value to the book value of the properties less any associated borrowings. The properties included are those core properties which are considered to be long term assets of the charity which could not be easily sold or mortgages obtained against in the event of requiring additional working capital.

Revaluation Reserve

The revaluation reserve relates to the upwards valuations of the core properties.

27 Analysis of net assets between funds

Group

	Unrestricted			Total funds at 31 March 2021 £
	General £	Designated £	Restricted £	
Intangible fixed assets	14,073	-	-	14,073
Tangible fixed assets	5,226,110	4,731,874	5,228,064	15,186,048
Fixed asset investments	10,929	-	-	10,929
Net current assets/(liabilities)	(270,875)	620,920	1,307,557	1,657,602
Creditors over 1 year	<u>(2,740,142)</u>	<u>-</u>	<u>-</u>	<u>(2,740,142)</u>
Total net assets	<u>2,240,095</u>	<u>5,352,794</u>	<u>6,535,621</u>	<u>14,128,510</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

	Unrestricted			Total funds at 31 March 2020
	General £	Designated £	Restricted £	£
Intangible fixed assets	18,764	-	-	18,764
Tangible fixed assets	7,660,185	5,064,956	3,083,931	15,809,072
Fixed asset investments	19,538	-	-	19,538
Net current assets/(liabilities)	749,619	74,733	2,885,094	3,709,446
Creditors over 1 year	(3,941,381)	-	-	(3,941,381)
Provisions	(7,298)	-	-	(7,298)
Total net assets	<u>4,499,427</u>	<u>5,139,689</u>	<u>5,969,025</u>	<u>15,608,141</u>

28 Analysis of net funds

Group

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	5,106,773	(2,089,972)	3,016,801
Debt due within one year	(411,636)	111,985	(299,651)
Debt due after more than one year	<u>(3,941,381)</u>	<u>1,201,239</u>	<u>(2,740,142)</u>
Net debt	<u>753,756</u>	<u>(776,748)</u>	<u>(22,992)</u>

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	3,005,035	2,101,738	5,106,773
Debt due within one year	(538,314)	126,678	(411,636)
Debt due after more than one year	<u>(4,347,092)</u>	<u>405,711</u>	<u>(3,941,381)</u>
Net debt	<u>(1,880,371)</u>	<u>2,634,127</u>	<u>753,756</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

29 Related party transactions

During the year the group made the following related party transactions:

University of York St John

(A trustee of the University is also a trustee of the charity. The University ceased to be a related party on 11 November 2020.)

Income for student placements received to the value of £Nil (2020 - £300). At the balance sheet date the amount due to/from University of York St John was £Nil (2020 - £Nil).

Karbon Homes

(An employee, the Assistant Director of Development Delivery, of the entity is a director of TCUK Homes Limited)

Rental and repair charges incurred to the value of £116,740 (2020 - £106,369). At the balance sheet date the amount due to Karbon Homes was £8,488 (2020 - £256).

Voluntary Organisations' Network North East

(A trustee of the organisation is also a trustee of the charity. The Voluntary Organisations' Network North East ceased to be a related party on 11/11/20.)

Payments for recruitment services to the value of £280 (2020 - £3,563). At the balance sheet date the amount due to/from Voluntary Organisations' Network North East was £Nil (2020 - £Nil).

Hobson Golf Club Limited

(A director of the entity was also a trustee of the charity.)

The charity incurred expenditure of £Nil (2020 - £366). At the balance sheet date the amount due to/from Hobson Golf Club Limited was £Nil (2020 - £Nil).

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds

Housing and Homelessness

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
National Lottery	Peer research in partnership with Crisis	1,360	1,360	(1,360)	(1,360)	-
Big Lottery Fund	Share the impact of COVID on hard to reach communities, with decision making agencies	-	50,000	(50,000)	-	-
Northumbria PCC – Violence Reduction Intervention Fund	Reduction in domestic violence in Northumbria	13,576	13,576	(13,576)	(13,576)	-
Community Foundation		600	600	(600)	(600)	-
HM Treasury – LIBOR Fund	Outreach service for veterans in HMP Northumberland, hospitals and local hospitals	12,107	12,107	(12,107)	(12,107)	-
Community Foundation	Establishment of a health and wellbeing hub for young people	3,813	3,813	(2,425)	(3,813)	1,388
Big Lottery Fund	Supporting people with multiple needs in Newcastle and Gateshead	145,098	603,499	(339,785)	(145,098)	263,714
Sunderland City Council	Rough Sleeper outreach support	13,250	-	-	(13,250)	-
ABF – The Soldiers Charity	Support ex armed forces personnel to transition to civilian lives in Gateshead.	20,000	44,000	(24,000)	(20,000)	20,000
ABF – The Soldiers Charity	Support ex armed forces personnel to transition to civilian lives in Newcastle.	-	3,000	(3,000)	-	-

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Community Foundation	Starter packs for clients moving into independent accommodation in Newcastle	2,500	2,500	(2,500)	(2,500)	-
City of York Council	Mental Health Housing First officer in York	-	20,000	-	-	20,000
Sunderland City Council	Support for rough sleepers in Sunderland	11,224	11,224	(1,428)	(11,224)	9,796
Virgin Money Foundation	Establishment of the Athena project in Sunderland	38,027	38,027	(38,027)	(38,027)	-
Northumberland County Council	Management of temporary accommodation in Northumberland	11,500	11,500	(11,500)	(11,500)	-
Northumberland County Council – Community Chest Scheme	New kitchen for temporary accommodation in Blythe.	8,750	8,750	(8,750)	(8,750)	-
Sunderland City Council	Additional COVID related support for families in Sunderland	65,000	170,500	(95,820)	(65,000)	74,680
South Tyneside CCG	To support people with mental health needs by providing two self-contained flats for short-term, 24-hour crisis accommodation to reduce delays in hospital discharge/risk of admission or readmission to hospital	-	25,000	(6,398)	-	18,602

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
NHS Vale of York CCG	To assist hospital staff in York to prevent avoidable admissions and facilitate effective discharge.	-	81,000	(68,305)	-	12,695
Homes England	Refurbishment and Redevelopment of Elliot House into 36 flats.	1,671,224	557,074	-	-	2,228,298
Homes England	Purchase of homes for homeless people	3,168,096	-	-	(168,330)	2,999,766
Total Housing and Homelessness		5,186,125	1,657,530	(679,581)	(515,135)	5,648,939

Drug and Alcohol

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
City of York Council	Establishment of a drug recovery centre in York	500,000	-	-	-	500,000
City of York Council	Drug abstinence and recovery programme in York	40,000	-	-	(40,000)	-
The Health Foundation	Establish a primary care hub in the west end of Newcastle	-	19,370	(19,370)	-	-
North Yorkshire County Council via Humankind	Partnership work in North Yorkshire – aftercare and recovery support	25,000	25,000	-	(25,000)	25,000
Total Drug and Alcohol		565,000	44,370	(19,370)	(65,000)	525,000

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds (continued)

Women and Children

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
National Lottery Community Fund	Fund Support Workers and other posts in Wolverhampton	104,560	184,882	(184,882)	(104,560)	-
The Vardy Foundation	Develop Theory of Change model to influence training and service delivery	-	250,000	(230,213)	-	19,787
Merseyside PCC	Supporting sex workers in Merseyside to improve their safety and report crimes against them	-	19,363	(18,273)	-	1,090
MHCLG via Newcastle City Council – Safe Newcastle Unit	Part funding of Outreach Workers in Newcastle	-	67,572	(51,895)	-	15,677
MHCLG	Additional community based capacity and accommodation for victims of domestic abuse across Tyne and Wear, Northumberland, North and South Yorkshire, Wolverhampton and Nottinghamshire	-	100,000	(100,000)	-	-
National Lottery Community Fund	Support for 120 individuals within the Northumbria Police region who have been groomed for exploitation.	41,166	156,166	(103,317)	(41,166)	52,849
Police, Fire and Crime Commissioner for North Yorkshire Community Fund	Sex work project in North Yorkshire	2,590	7,793	(4,820)	(2,590)	2,973
DCMS	Support to overcoming trauma for adult survivors of grooming and sexual exploitation	-	608,294	(458,721)	-	149,573

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
People's Postcode Trust	Support girls in Nottingham who experience period poverty	9,826	9,826	(5,801)	(9,826)	4,025
West Midlands PCC	Victim support in West Midlands	-	8,158	(8,158)	-	-
Halton Borough Council	Provision of Domestic Abuse refuge and community support in Halton borough	-	5,851	-	-	5,851
MHCLG via Cheshire Without Abuse	Domestic Abuse safe accommodation around COVID in Cheshire	-	51,577	(51,577)	-	-
PCC via MSS	Domestic Abuse safe accommodation around COVID in Cheshire	-	47,738	(41,730)	-	6,008
Newcastle City Council – Safe Newcastle Unit	Provision of Domestic Abuse Health Advocate	12,970	12,970	(12,970)	(12,970)	-
Newcastle City Council – Fairer Housing Unit	Provision of Domestic Abuse Health Advisor and Service Navigator	19,690	29,690	(21,670)	(19,690)	8,020
Community Foundation	To mark White Ribbon Day, campaign to end violence against women	110	110	(110)	(110)	-
National Lottery via North East Law Centre	Employ Senior Support Worker as partner supporting disadvantaged groups	-	27,406	(18,921)	-	8,485
Home Office via Merseyside PCC	Protection of women sex workers in Merseyside	-	32,250	(32,250)	-	-

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Shears Foundation	Core costs supporting sex workers	5,000	20,000	(20,000)	(5,000)	-
Other Funders		-	5,000	(5,000)	-	-
Northumbria PCC – Supporting Victims Fund - 19/20	Support the Crime and Policing objective “Putting Victims First” in Northumbria	15,507	15,507	(15,507)	(15,507)	-
Northumbria PCC – Supporting Victims Fund - 20/21	Support the Crime and Policing objective “Putting Victims First” in Northumbria	-	44,525	(44,525)	-	-
Northumbria PCC – COVID Fund	As above but specifically with reference to issues arising from COVID	-	40,250	(26,496)	-	13,754
Durham PCC Supporting Victims during COVID	Supporting victims of crime during COVID within County Durham	-	41,245	(30,127)	-	11,118
Community Foundation – Women’s Fund	Support women with experience of sex work	1,000	-	(1,000)	-	-
Total Women and Children		212,419	1,786,173	(1,487,963)	(211,419)	299,210

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds (continued)

Employment

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Newcastle City Council – Newcastle Fund	Peer mentoring programme in Newcastle	-	35,785	-	-	35,785
Business in the Community	Prepare unemployed people in Newcastle for work	-	10,000	(10,000)	-	-
Total Employment		-	45,785	(10,000)	-	35,785

Criminal Justice

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
West Midlands PCC	Support for women in Walsall and Wolverhampton to prevent reoffending	-	31,694	(31,694)	-	-
Nottinghamshire PCC	Working with Notts police to provide early intervention support	-	40,032	(18,616)	-	21,416
Total Criminal Justice		-	71,726	(50,310)	-	21,416

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Notes to the Financial Statements for the Year Ended 31 March 2021

30 Restricted Funds (continued)

General

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Community Foundation	Deliver arts based projects	2,687	2,687	-	(2,687)	2,687
Gateshead MBC	Provision of introductory training modules	1,234	1,234	-	(1,234)	1,234
Community Foundation		1,560	1,560	(210)	(1,560)	1,350
Total General		5,481	5,481	(210)	(5,481)	5,271
Grant Total		5,969,025	3,611,065	(2,247,434)	(797,035)	6,535,621