

Cyrenians

Trustees' report and financial statements

31 March 2019

Registered charity number SC011052

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TRUSTEES' REPORT

The Trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2019.

OBJECTIVES AND ACTIVITIES

Cyrenians is a Scottish Charitable Incorporated Organisation (SCIO), registered charity number SC011052. Our charitable purposes, as set out in our Constitution, are:

- to alleviate conflict and promote understanding between people in their families and in the community
- to support and help and to accommodate where appropriate, people who are homeless or at risk of homelessness
- to assist people without work into useful and rewarding employment
- to promote healthy eating and to educate and support people in the values of good food, nutrition and health
- to promote environmental sustainability and to minimise waste
- to relieve poverty, exclusion and need, and to provide any other service that the trustees deem necessary in support of the Cyrenians' mission

Vision, mission and strategic direction

In journeying with people at the margins of society for over 50 years, Cyrenians has worked to help the homeless and vulnerable transform their lives by beginning with their story, helping them believe they can change their lives, and walking with them as they lead their own transformation. Our experience has given us a deep knowledge and understanding of the delicate and complex situations experienced by those excluded from family, home, work or community.

Our Vision is to have an inclusive society in which we all have the opportunities to live valued and fulfilling lives

Our Mission is to support people excluded from family, home, work or community on their life journey.

Cyrenians is a values-led, relationship based organisation. **Our four core values are:**

Compassion: We believe that everyone should have the support to change, no matter how long that might take.

Respect: We believe in tolerance, acceptance, valuing diversity and treating each other as equals.

Integrity: We are committed to the highest quality of work, grounded in honesty, generosity, sincerity and professionalism.

Innovation: We are willing to take risks, challenge convention and be very creative in our search for new ways of working, in particular by taking account of the environmental impact of our decisions.

Belief in an inclusive Scotland where the individual matters is at the heart of all Cyrenians' work. We walk with those who are excluded, or unable to cope with, the society in which we live. We stress the importance of listening with empathy and provide support to begin the journey from exclusion to inclusion.

Cyrenians believes that the journey from exclusion to inclusion is first and foremost an inner journey; a journey of spirit and soul as well as the material and the physical. Our task is to walk alongside people as they discover the spaces and the experiences which are the building blocks of change and, for some,

deep transformation. We believe that the creation of trusted relationships form the bedrock of resilience and self-belief that change is possible.

We make our words real through four interwoven themes:

**Family & People
Home & Housing
Work & Skills
Community & Food**

Cyrenians' journey for the coming year will continue to be directed by our 6 strategic aims which we believe form the basis for effective and sustainable growth so we can serve more people and become more financially stable:

- **Increasing the number of people we serve; growing the number we work with for more than one interaction**
- **Continuing to add to the number of people who know who we are, like what we stand for and choose to support our work**
- **Developing the number of places across the country where we have the opportunity to serve those in need**
- **Nurturing the potential of our people, paid and unpaid**
- **Expanding our capacity to generate unrestricted income, especially through Social Enterprises, for real sustainability**
- **Improving the impact we have on public policy debates which impact on our areas of expertise**

Our present corporate plan is reviewed annually and builds on the framework of these 6 themes.

Our main **CHARITABLE ACTIVITIES** undertaken in relation to both our charitable purposes and our strategic aims are detailed below. Note that the charity also publishes a separate annual impact report which gives details of outcomes achieved for our clients. This is available at www.cyrenians.scot or from head office.

During the year, Cyrenians again passed some significant milestones: 11,609 people journeyed with us in their time of need; a further 13,339 people participated in our services, events or training courses and 968 wonderful volunteers gifted a total of 76,673 hours of their time to us. Cyrenians now includes 41 services delivered by 140 staff in Edinburgh, the Lothians, Borders, Falkirk and Stirling along with our national service, the Scottish Centre for Conflict Resolution. Whether by interacting, working, volunteering, supporting or offering time, expertise and financial support we are profoundly grateful to all the people who have journeyed with us this year.

Family and People

Strong, positive relationships are the foundation of family life. They are as important for our mental health and physical wellbeing as they are for our ability to get along with others in the wider community.

Both our **Scottish Centre for Conflict Resolution (SCCR)** and the **Mediation and Support Service** stress the importance of listening to improve relationships and manage conflict. When people feel they have a voice, and their opinion is valued, they are less likely to react negatively.

Over the last year Cyrenians' **SCCR** has continued to develop and support best practice in mediation and family conflict resolution in order to promote positive relationships and change the culture of conflict in Scotland. Collaboration and working in partnership is at the core of all the centre's work – in January 2019 we consolidated our relationship with Glasgow Science Centre by signing a formal Memorandum of Understanding. Across Scotland we delivered free accredited training and events and continued to promote our newly developed psychoeducational digital resources, distilling scientific knowledge into accessible, informative and engaging materials. During 2018/19 we significantly increased our website reach and digital impact:

- 10,751 unique website visitors
- 451,400 social media impressions
- 2,191 media views
- 107,339 page views

The SCCR delivered 45 one-day training sessions to 756 beneficiaries (313 practitioners, 341 young people and 102 parents/carers from 48 local authorities). We also delivered the three-day 'Untangling the Knots' course in Perth and Kinross, Renfrewshire and Fife to assist practitioners to further develop their knowledge and skills with a particular focus on assisting families to manage difficult relationships. 67 people, from 25 different organisations across 12 local authorities, attended these courses and 94% of participants agreed the course would increase their ability to support families facing conflict.

For both our SCCR and Mediation and Support services the focus is on early intervention, we know that family conflict remains the number one cause of youth homelessness in Scotland.

During 2018/19 our **Mediation and Support Service** worked directly with families, schools and youth groups to foster respect, the ability to listen and responsibility within relationships. We did this by offering a skilled Mediation and Support service in Edinburgh and East Lothian for families and young people. Through a combination of formal mediation, focused 1:1 work, advice and signposting we aim to prevent relationship breakdown that may lead to youth homelessness. For young people we also deliver tailored Conflict Resolution Workshops, in line with Curriculum of Excellence, in schools and youth group settings, including 'green spaces'. During 2018/19 we:

- engaged with 397 young people and families who were experiencing family conflict or relationship breakdown. Of those who completed support sessions 98% of young people remained at home, returned home or moved out in a planned way
- delivered 'Fight or Flight' workshops to 246 young people

In March 2019 we ceased delivery of our **Recovery Service** in West Lothian, having been unsuccessful in a competitive tendering process for the contract. We are particularly proud of how we have developed this service over a number of years, and despite our disappointment about the loss of contract, confident that the recovery community in West Lothian is well established and will continue to thrive. In the last year we:

- supported 449 people
- delivered over 1450 peer led group activities
- engaged 21 volunteers, including peer supporters, and delivered 778 hours of additional support to the community

Since 2013, Cyrenians has been tackling social isolation and loneliness amongst older people, recognising that it not only adversely affects their health but also undermines their capacity to continue to live independently in their own homes with a good quality of life.

West Lothian is one of Scotland's local authorities with the fastest-growing populations and is home to **OPAL (Older People Active Lives)**, Cyrenians' befriending and social activity service. During the year, 127 people were linked with a befriender and a further 310 participated in group activities. New digital skills training for older people in West Lothian was included alongside other group activities in sheltered housing Fauldhouse, Armadale and Broxburn. Extensive preparation work took place for new groups starting within Strathbrock Partnership Centre, Broxburn in February 2019; and in Whitburn, which successfully launched in May 2019.

Cyrenians has offered a similar service in Edinburgh since 2017. During 2018-19 **Golden Years** provided a 1:1 befriending service to 70 people. Its group work has been particularly successful, much of it carried out in partnership with other organisations such as Gamechanger PSP, and various Sheltered Housing Associations providing a social hub for residents. Around 1,300 attendances were recorded in the past year at our group activities and lunches. Golden Years was part of the consortium of 3rd sector providers delivering the Hospital Discharge Support Project, which aimed to reduce the time older people need to remain in hospital, and provided support to 189 people via this service.

At **HMP Addiewell** we manage the **Visitor Centre**, providing advice, support and information to families who have a loved one in prison, including running regular Family Information sessions and Visitor Forums. Imprisonment affects more than just the prisoner and the impact of having a family member in prison can be devastating, financially and emotionally, for both children and other relatives. Maintaining family contact is key to reducing re-offending but visiting prison can also be a difficult and stressful experience for families, our Visitor Centre staff strive to provide a friendly and welcoming environment, especially for children.

During 2018/19 we:

- welcomed and supported 9563 visitors
- issued 334 AVPU forms to help with transport costs
- distributed 308 Family Information Packs containing information about visits and other local support agencies
- arranged 130 children's visits

Home and Housing

Since 1968 homelessness prevention has been a core priority for Cyrenians. A permanent and secure home is the foundation from which to step out in life. Throughout our services we offer early intervention and person-centred approaches where our goal is to prevent homelessness and provide support to those who are struggling to rebuild their lives.

Our **City and Farm Communities** are how Cyrenians began over 50 years ago and are still at the heart of what we do. They provide a secure supported environment for young people who have been deprived of a full home life and are built around shared living between a group of residents and volunteers. More than a roof over their head, the communities provide opportunities for learning and participation. Residents share local knowledge, cultural understanding and their experience of life and what they have been through. Residential volunteers learn how to support people who might have experienced trauma, abuse or neglect and they also bring their own skills and learning which could range from motivation and enthusiasm to art or cooking skills. Our **City Centre model**, opened in spring 2018 to support individuals who suffer from severe and enduring mental health issues, to move into and continue their journey of recovery. **Social Bite Village** opened to residents in July 2018 and is a unique partnership between Cyrenians and Social Bite to support people out of homelessness by accommodation, support and development opportunities. All of these unique communities are built on mutual respect, integrity, innovation and operate with a compassion-based ethos. In the past year:

- we have supported 25 young people in our Farm and City projects
- we supported 16 people who were homeless in the Social Bite Village

- we supported 4 people recovering from mental health problems within the Crichton place project
- we hosted and supported 31 residential volunteers

People experiencing homelessness in Edinburgh have arguably never before experienced such marginalisation. The cost and scarcity of accommodation allied to reform of the welfare benefits system and cuts to services that serve people experiencing severe and multiple disadvantage have combined to push many people to the edges of society.

Our **Outreach Services** take support to where people are and build tailored, flexible services that take account of people's circumstances. We take a relationship based approach using a combination of the team's lived experience and broad expertise to support people who might otherwise be excluded. Our approaches include:

- assertive outreach to people who are rough sleeping through our Homeless Navigator project – providing outreach shifts each week and providing ongoing support to 29 people
- link working to support with patients within Edinburgh Homeless Practice address practical and social challenges which may be impacting on health - supporting 51 people this year
- long term case work with people experiencing severe and multiple disadvantage – supporting 44 people this year
- providing peer support to people involved in the criminal justice system and those rough sleeping – supporting 29 people this year

At the end of 2018 we led the implementation of the **Edinburgh Housing First** pathfinder, of which we are the lead provider to a 7 partner consortium. The pathfinder will support 275 people who are homeless and experience severe and multiple disadvantage by providing permanent housing with intensive support.

Work and Skills

The road to employment can be long and arduous particularly for those who feel they don't matter, or who may have been out of work for several years. Restoring self-belief and resilience is core to building the confidence needed when applying for work or training. All of our employment programmes are person-focused with each interaction built on a framework of respect, compassion and integrity which emphasizes the inherent value of each person. Within such a framework, the idea of a job moves from being a far off dream to becoming something recognisable and then an achievable goal. During 2018/19 Cyrenians delivered employability services in Edinburgh and Falkirk.

Working with young people and adults, we offer one-to-one and group support to assist people to access training, education, volunteering and employment. By supporting individuals to address barriers to employment, and by offering skills and training, we not only assist people into work but also help them to sustain employment and move away from benefits dependency.

Foundations to Employment provides a one-to-one outreach service for people facing complex and multiple obstacles which prevent them moving back into work. These barriers might include experience of the criminal justice system, substance misuse, mental health difficulties, limited literacy or trauma experience. Individuals may face one, or often several, of these barriers. In 2018 - 2019, Foundations staff worked intensively with supported 61 people with 56% progressing to secure a jobs, volunteering, education and/or training. Staff also provided light touch or signposting support for a further 47 individuals.

With a focus on young people, **Key to Potential** is an early Intervention outreach project for those transitioning from school to adult life. By building trusting relationships we focus on young people who

are about to leave school without a positive destination, most of whom are regular school non-attenders and not engaging with other services. By providing a skilled outreach service, Key Workers advise and support young people on their career options, giving them the confidence to take their next steps. One-to-one support enables young people to make informed choices about their future including moving onto college, returning to school, accessing training or finding employment.

During 2018 - 19 we worked with 65 young people to ensure they were able to move onto a positive destination (5 secured jobs, 20 engaged in further education, 10 returned to school, 23 started a training course and 7 signed an Activity Agreement).

Our **Market-led Training (MLT)** courses equip people with the skills and confidence to move into work with a key focus on the business sectors where there is a real need for staff, such as care and construction. Courses provide: skills and qualifications; work experience; support to find and apply for jobs; and employer visits/input and, where necessary, ongoing trainee support.

Last year we:

- ran five social care courses
- delivered skills training to 52 trainees, 62% of whom were in employment 4 weeks later and 47% of these trainees were still in employment after 6 months

Working with young people and adults, we offer one-to-one and group support to assist people to access training, education, volunteering and employment. By supporting individuals to address barriers to employment, and by offering skills and training, we not only assist people into work but also help them to sustain employment and move away from benefits dependency.

We also offer **support and employability programmes to those going through the criminal justice system**, helping those requiring more specialised support in overcoming barriers to employment.

These include:

- **Dollar Park Walled Garden** in Falkirk provides a work environment for those on community payback orders. The unique environment offers an opportunity for individuals to develop skills at the same time as providing valuable resource to support the maintenance of the garden – supporting 132 people on community payback orders, and welcoming 2640 visitors to the garden
- a **peer mentoring project** offering training and accreditation to those with lived experience as they mentor others- supporting 32 people this year
- **Place-based interventions**, providing case work to individuals with experience of the criminal justice system alongside engagement of local communities to contribute to the reconnection and reorientation of people who have been involved in the justice system – supporting 45 people this year

Community and Food

Cyrenians has always believed in the inclusion and acceptance generated through the simple act of sharing food – something to eat and someone to eat with.

Cyrenians Farm is a Social Enterprise located just west of Edinburgh. It is a working farm producing fruit, vegetables and eggs, and is also home to our farm community. The farm grows food and helps the Community to grow people, providing a range of opportunities for individuals to develop skills and confidence as a step towards a settled lifestyle.

18 people on average volunteer with the Farm every month on a day by day basis, contributing over 300 working hours.

The Farm generates income through the veg bag scheme. Up to 70 veg bags are delivered to customers in Edinburgh and the Lothians every week.

Corporate Volunteering events take place on the Farm on a regular basis and we also have good working relationships with primary schools with up to 5 school groups visiting the Farm every month.

The **Community Gardens** are sites on NHS owned land at the Royal Edinburgh Hospital and Midlothian Community Hospital that have been developed to support gardening activity involving both hospital communities and their local neighbourhoods. Our Gardens are increasingly recognized by the NHS as contributors to patient recovery, good health and wellbeing, through the connection to nature and growing. This year we:

- supported 175 people in their recovery from mental health
- received 455 visitors to garden events
- engaged 98 people in volunteering roles

The process of growing and preparing food whether at our **Farm Enterprise** or our **Community Gardens** is also fulfilling, which is why community residents, hospital patients, staff, volunteers and visitors all benefit from the therapeutic value of being outside, getting their hands dirty and experiencing the satisfaction of watching things grow and blossom.

At our **FareShare Social Enterprise**, we concentrate on redistributing surplus food and supporting our 118 community food members throughout Central and South East Scotland. We reduce their supermarket bills every week by:

- sharing just under 10 tonnes of food
- providing more than 20,000 meals

We are expanding our facility in order to redistribute more food and are now the regional partner for the Scottish Government's 'Access to Free Sanitary Products'.

At FareShare, we provide volunteering opportunities for people from all walks of life. More than 50 people volunteer with us every month. Volunteers tell us that they value 'being treated as a person' and to be given the opportunity to take on responsibility.

Through our **Food Education** programmes, we encourage a healthy attitude to food – from buying economically to safe preparation and cooking and sitting down to enjoy it with friends. Sharing food is a simple but effective way of helping those who have felt excluded to feel accepted and included. We see the value both in having something to eat and someone to eat with.

Our Elementary Cooking Skills is a Royal Environmental Health Institute of Scotland (REHIS) accredited course, as is Good Food Good Health which trains other organisations to hold their own cooking classes.

Through these courses we are helping to break down some of the barriers people have relating to food and the fear of preparing a meal from raw ingredients. Food is a fundamental part of life that we want everyone to be able to enjoy. Last year:

- 128 people attended our courses funded by City of Edinburgh Council and 68 attended courses in the community through either the Good Food Good Health or Elementary Cooking Skills programme
- a total of 243 REHIS accredited certificates were issued (elementary cooking skills; elementary food hygiene; introduction to food hygiene; Good Food Good Health)
- we were selected as recipient of the REHIS 'Presidents Award'
- we were selected as a finalist in the Student Nursing Times awards for our partnership working with QMU (for work carried out in 2018/19 financial year)
- over 5880 meals cooked and shared across 23 community cook clubs
- 15 Syrian supper clubs with 360 people sitting down to share a meal together cooked by 2 recently arrived refugees

Business Development

In continuing challenging times where resources are decreasing whilst demand grows, the core focus of business development is building resilience and sustainability into the heart of the organisation through investment in our staff and increasing our unrestricted income from social enterprise activity and fundraising. Growth will come where it plays to our strengths, does not cause strain on our infrastructure and continues to deliver our core mission. Our strength lies in focusing on our values-led, relationship-based way of working, nurturing our staff and volunteers and our trusted relationships with funders, valued partnerships and creative use of resources.

We have made good progress **establishing new social enterprises**, including **Arnotdale House and Enterprise Training Services**.

Arnotdale House: Cyrenians is working towards transforming Arnotdale House in Dollar Park, Falkirk, back into a centrepiece of the community. Cyrenians will be creating a Social Enterprise that offers a café, events/meeting/party spaces and office accommodation. The Social Enterprise will generate income to provide sustainability whilst also offering work experience, volunteering and providing opportunities to remove barriers to employment. The renovated building offers expanded office space for Cyrenians services. The café and enterprise will be open to members of the public where, as well as café facilities, function rooms are available for hire for a range of activities/functions such as Community Group meetings, Weddings, Bistro Evenings and small concert evenings/recitals amongst others.

Enterprise Training: To build on our expertise in the field of conflict resolution, we are now generating income through our Enterprise Training Service, selling it to customers in the corporate sector, Independent Schools, Third Sector and other appropriate organisations.

Relationships

We continue to invest in our unrestricted fundraising efforts with a focus on corporate partnerships, individual giving, and events (where there is a healthy projected return on investment or significant opportunity to increase awareness of and engagement with Cyrenians. We were particularly fortunate to become the Times Christmas Charity for Scotland in 2018 which not only increased income but also extended our reach and developed a new support base of regular givers. Over the year we saw a 23% rise in the number of supporters and a 30% rise in regular givers.

We welcomed a new Marketing and Communications Manager into our Relationships Team to ensure a consistent and accessible dialogue with our existing and prospective supporters and a more strategic approach to our internal and external communications going forward.

We are committed to meeting the standards of fundraising good practice in line with our core values.

Volunteering

Cyrenians places volunteering at the heart of its purpose and activities. Without volunteers, we would not have been able to support so many for so long over the years. We are committed to ensuring that local people have the opportunity to volunteer to help address the needs of their community.

The charity continues to maximise the number and variety of volunteering roles and achieves continuous improvement in the value of volunteering to the volunteers themselves, to the community (including businesses) and to the charity.

968 volunteers worked a total of 76,673 hours in 2018/19. This is the equivalent of 46 full time posts, which boosts our staffing level by over 30%.

Quality and Resilience

We've taken 50 years' experience of journeying with people from exclusion to inclusion. Learning, reflecting and questioning what works and why. With an organisational priority to Nurture our People we are taking what we have learnt to weave together, a way of working. Rooted in our history, built on our values and designed for the coming years, and the challenges and opportunities they will bring. We will continue to test and develop our common understanding of the Cyrenians Way of Working in several interconnected ways, through;

- staff participating in our Values and Leadership course where we explore our understanding of our personal values and their connection to our organisational values
- using a values led approach to Learning and Development to increase the resilience and wellbeing of staff, recognising they are our biggest resource
- continuing to review and update the tools we use in the Cyrenians Way of Working to support our staff
- reviewing our performance management system to one which better helps us hold each other to account
- embedding evaluation as an ongoing and repeating process which shapes and reshapes what we do and how we do it as we progress

ACHIEVEMENTS AND PERFORMANCE

The table on pages 11, 12, 13, 14 and 15 shows our key strategic priorities for 2018/19 and the many ways in which we achieved what we set out to do.

The road ahead continues to be very challenging. Demand for our services is increasing whilst resources available from traditional sources is decreasing. We need not fear this. Our strength lies in focusing on our values-led, relationship based way of working, nurturing our staff and volunteers and our trusted relationships with funders and valued partnerships and creative use of resources. We will consolidate what we already do and grow where this helps reinforce our work or strengthens the impact of our mission. We will continue to have a strong focus on nurturing the quality of our services and continued innovation and considered risk-taking. We need to continually create the space for staff to manage the tension between meeting the demands of specific funders and the ambitions of the whole organisation.

In working towards our six strategic aims across each of our four themes:

In 2018/19 we achieved....

FAMILY & PEOPLE

The Conflict Resolution Strategy provided a clear framework for us to build relationships across services and consider the synergies between existing projects, as well as identify opportunities for future development. Across our conflict resolution services we have continued to develop and support best practice in mediation and family conflict resolution.

Scottish Centre for Conflict Resolution (SCCR):

- promoted and disseminated newly developed psychoeducational digital resources, resulting in a significant increase in website reach and digital impact
- worked in collaboration with a wide range of new and existing partners, including consolidating our

In 2018/19 we achieved....

relationship with Glasgow Science Centre in January 2019 by signing a formal Memorandum of Understanding

- delivered free accredited training and multiple high profile events across Scotland
- worked with 1582 beneficiaries (915 professionals, 216 parent/carers and 451 young people) from 230 organisations across 28 local authorities

Mediation and Support:

During 2018-2019 we

- engaged with 397 young people and families who were experiencing family conflict or relationship breakdown in Edinburgh and East Lothian. Of those who completed support sessions 98% of young people remained at home, returned home or moved out in a planned way
- consolidated our relationship with Howdenhall Secure Centre, resulting in a funding proposal to deliver a similar service across all five Scottish centres
- secured funding to deliver our Fight or Flight workshops to young people in Midlothian
- expanded our work into primary schools in Edinburgh using the Pupil Equity Framework

OPAL – Older People, Active Lives: In line with the objectives of the West Lothian Council Public Social Partnership through which OPAL is funded, Cyrenians successfully increased the number of people receiving a service and the range of activities offered.

For example, digital skills training for older people in West Lothian was included alongside other activities at groups in Fauldhouse, Armadale and Broxburn.

Our monitoring and evaluation showed that 64% of our services users reported positive change in their social life and involvement in meaningful activity.

In 2018/19, 67 volunteers gave 4913 hours of service, including telephone calls, home visits, outings and group activities.

In our **Edinburgh-based Golden Years' Service**, we focused on further engagement in partnership and group working which allowed many more people to benefit from our service. In particular we have developed close working relationships with local organisations such as Edinburgh Voluntary Organisations Council, LOOPs (Local Opportunities for Older People), Oxfams Care, Independent Age, Phonelink Edinburgh and the Living Memory Association.

As a way of a service review, Golden Years clients felt that the service made them feel they were treated as an equal, that they mattered, and that the service had helped them feel more positive and confident about themselves, and happier.

Recovery Service – The contract for the recovery service was put out to competitive tender at the beginning of 2019 and sadly we were not successful in this process. The staff team were transferred to a new provider under TUPE on the 1ST April 2019. We are hugely proud of how we created space for the development of a recovery community in west Lothian, and are confident that it will continue to thrive. In our final year we were able to support 449 people in their recovery from addiction

At our Addiewell Visitors Centre, we:

- secured financial stability for the day-to-day running of the Visitor Centre
- significantly improved the quality of data collection
- provided support to 9563 visitors, including arranging 130 children's visits
- established a volunteer strategy and increased the number of regular volunteers
- significantly improved the lay-out of the centre including provision of refreshment and upgraded the furnishings and facilities in the children's area

HOME & HOUSING

The **Social Bite Village** was launched in July 2018 and has provided accommodation for 16 people who were homeless.

We had our first full year of operation in the new **City Centre Community** with all 4 of the residents who moved in

In 2018/19 we achieved....

last year still in the house and progressing their recovery.

Our **City and Farm Communities** supported 25 young people this year, and welcomed 31 residential volunteers to the community.

This year we have led the consortium implementing the **Housing First pathfinder for Edinburgh**, which is already supported over 30 people.

Our **Outreach Services**, including peer work and homeless navigator project have supported 102 people who experience severe and multiple disadvantage.

WORK & SKILLS

Learning and Work

We secured core funding for both our **Key to Potential** and **Foundations to Employment** projects. In addition, we successfully expanded our Foundations work by securing funds from the Oak Foundation to deliver employability support for clients who have lived experience within the criminal justice system. We also secured 3 year funding from The Robertson Trust to enhance our Key to Potential work with young people aged under 16 in Edinburgh. In collaboration with social enterprise design agency BOLD, we successfully delivered the **Creative Natives** project, providing supported placements for young people interested in the arts and graphic design. We worked with potential providers, including a technology company, to develop tailor-made social care courses.

We moved our **Community Justice Employability Service** into the new newly renovated Arnotdale House, enhancing the space, resource and capacity we have to support people.

We added to our community justice work through the funding of a place based role supporting people reintegrate into the community and engage in employment following their offending.

Our support services, including employability and peer mentoring helped 182 people over the year.

We welcomed 2640 visitors to the Walled Garden in Dollar Park, and supported 132 people to participate in the garden maintenance as part of their community payback order.

COMMUNITY & FOOD

This year the two **Community Gardens** were able to further expand the support offered to patients within both hospitals, with 175 patients engaging in activity within the garden and on hospital wards.

We did not pursue the peer project, instead focusing on the development of activity with specific wards, and on the community build of a cobb oven within the Gilmerton area.

We supported 98 volunteers within both hospitals and welcomed 455 people to our events.

FareShare: We expanded our operations and are on track to reach our aim of distributing 1,000,000 meals during our birthday year. We distribute surplus food that would otherwise go to waste, to community organisations and charities who work with vulnerable people who live with food insecurity.

- we distributed 410 tonnes of surplus food compared to 283 tonnes in the previous year, the equivalent of 975,000 meals
- our work benefitted 15,000 vulnerable people each week and we maintained our Gold Audit

All of this contributes to fighting hunger and tackling food waste. We are also now the regional partner for the Access to Free Sanitary Products, delivering essential sanitary products to people in low income areas.

Within our **Food Education Service:**

- we ran 108 cooking classes with 128 vulnerable people attending either an 8 or 5 week cooking programme

In 2018/19 we achieved....

- we ran 8 healthy takeaway cooking classes for kids in the summer holidays that were well received. A particular highlight was making pizza with the Pizza Geeks, one of the small businesses who hire preparation space from us
- 6 new community cook clubs started up, which includes expansion into new areas beyond Edinburgh: East and West Lothian and Fife. Over 5880 meals have been shared across 23 community cook clubs.
- Syrian supper clubs started in August 2018 and 15 were held with 360 people sitting down, sharing and enjoying the food cooked with others
- we engaged in various forms of cooking classes with a number of communities, schools and universities across central and south east Scotland and with NHS Greater Glasgow
- the partnership working between ourselves and QMU was shortlisted and we were finalists in the Student Nursing Times awards held in London. Evaluation and research from these courses have been presented at 2 national conferences

Our Farm provides a safe and positive space for people from all walks of life, including those who may be at risk of homelessness:

- we welcomed 18 day volunteers on average per month, as well as both volunteers and residents from the adjacent Cyrenians residential community
- we hosted corporate organisations as volunteers, helping us to raise awareness of the social aspect of our Farm and helping them to realise their corporate social responsibility through supporting us
- we sold 2477 bags of fresh, healthy organic fruit and vegetables, promoting healthy eating as well as generating income for the Farm

BUSINESS DEVELOPMENT AND CENTRAL SERVICES

Business Development:

- continued the development of Arnotdale House Social Enterprise in Falkirk, with our Falkirk services moving in January 2019
- increase our social enterprise income through developing and growing the pilot for Enterprise Training Social Enterprise
- further developed Housing first, which became a funded service in 2018

Fundraising team:

- Times charity appeal saw 300% increase in Christmas income and 20% increase in regular giving.
- supporter numbers increased from 2500 to 3000 recorded relationships
- dedicated Corporate and Individual fundraiser appointed

Our **Marketing and Communications** team grew as we appointed a Marketing and Communications Manager. A Marketing and communications Strategy was created and Marketing plans developed for each service. We delivered 7 day social media coverage and activity and increased social media audiences.

Our Quality and Resilience service:

- met with all new staff to ensure they are aware of the Cyrenians Way of Working and how all of the tools can be used to support them
- improved internal communication by creating tools that help flow of information from Trustees to the front line
- continued to build on learning and development opportunities by centralising training.
- created new values led performance management system, Continuous Learning and Development
- set up Measuring and Valuing Group who work to develop existing tools that support staff gather data that can inform organisational growth, development
- built relationships to develop a theory of change to demonstrate what impact our way of working has on society

Within Corporate Services:

We invested in our business by:

- continuing to recognise and invest in our staff and volunteers, in particular through training and

In 2018/19 we achieved....

development opportunities and the residential programme offered to all staff in partnership with Columba 1400, as well as introducing free confidential counselling support to all staff and a bike to work scheme to encourage health & wellbeing

- continuing to develop our **Volunteering Support** to enable continued business growth and improved volunteering experience across the organisation
- further developing management systems including internal communication routes
- continuing to upgrade our IT equipment and systems as part of a continuous improvement plan
- continuing to engage with IT, HR and Health & Safety support specialists
- working with GDPR consultants to ensure legal compliance of our business practices

FINANCIAL REVIEW

Results for the year

The results for the year are shown in the financial statements on pages 26-28.

We continue to reduce our reliance on public sector funding, particularly by increasing income from social enterprises and fundraising. This is a key element of our corporate plan and financial strategy. Income streams from unrestricted income sources continue to grow, as does public awareness of the Charity. Investment in our developing Social Enterprises (Arnotdale House, Falkirk and Enterprise Training) has ensured both are well positioned to add significantly to our earned income from 2019/20 onwards.

Total income for the year amounted to £4,866,918 (2018: £4,282,189). The surplus before actuarial losses/gains is £448,002 (2018: £5,851). This surplus includes £329,000 of income which is recognised in 2018/19, but where expenditure will not be incurred until 2019/20 and beyond.

The principal funding sources during the year are as follows:

	<u>2019</u>	<u>2018</u>
Local Authority	36%	51%
Other Public Bodies	20%	19%
Generated Income	8%	7%
Big Lottery Fund/Peoples Postcode	12%	6%
Companies/Trusts	16%	6%
Donations/other	8%	11%

Financial management

The Trustees will only approve the continuation of a charitable activity if funding has been secured (usually through contracts, grants, corporate support or established income generation). Therefore all charitable activities have a continuation strategy and an exit strategy. In exceptional circumstances the Trustees will authorise an activity to continue from unrestricted funds when restricted funds are depleted, for example where there is a short gap before new funding is approved or where a short term investment from unrestricted funds is expected to bring longer term financial and social benefits.

Any significant spend from free reserves is discussed by the Trustees in advance, and assessed in the context of the charity's strategic priorities and the current funding environment.

Unrestricted income has been utilised in 2018/19 to the extent that restricted income was insufficient to cover the full cost of delivering the Good Food programme (£68,675), Cyrenians Farm (£56,546),

Community gardens (£12,181) and others (£26,978) during the year. All other charitable activities were funded fully from a combination of restricted funding for that activity, project specific income generation and fundraising.

Reserves policy

The Trustees' principal objective with regard to reserves is to ensure that the Charity has adequate working capital to meet cashflow requirements, and to enable the Charity to meet all legal obligations.

Cyrenians Reserves Policy was last reviewed and approved by Trustees in September 2019. This policy includes a formal framework to allow enhanced monitoring and early intervention if required. This framework expresses our approach to determining an appropriate level of reserves and is reviewed annually. It has a multi-tier approach with trigger points for action incorporating a RAG (Red-Amber-Green) warning system

The Trustees consider that the level of unrestricted general funds ("free reserves") at 31 March 2019 of £314,568 (2018: £317,764) are adequate for these purposes, noting that as part of our Reserves Policy, as well as free reserves, we also include designated property reserves in our consideration of acceptable levels of reserves. These were £215,813 at March 2019.

There is a continued move by funders towards outcomes or results based payments which introduces a higher level of financial risk to the charity. The Trustees continue to review the level of "free reserves" (those not committed or invested in fixed assets) in light of this changing landscape of our funding. This is reflected in our rolling Corporate Plan where we are seeing an increase in our unrestricted income generation to support this. The charity does not tender for any contracts where the level of financial risk exceeds the level of free reserves.

The balance on restricted funds at 31 March 2019 was £1,298,135 (2018: £822,745). This increase in restricted funds reflects income recognition requirements whereby income has been received/recognised in 2018/19, for costs which will be incurred during 2019/20 and beyond.

PLANS FOR FUTURE PERIODS

In 2019/20 we will....

As an organisation we will focus on six key activities to achieve our strategic aims:

- **Consolidate what we already do**, growing only where it will strengthen our impact and the quality of our service
- **Grow our capacity and effectiveness** for achieving increased unrestricted funding, **in particular from trading through our social enterprises**
- **Improve our use of data and evidence** for decision making
- **Develop our internal and external communications** to increase the effectiveness and awareness of what we do
- **Increase the pathways within the organisation** for those we journey with
- **Launch our 5 year plan for 2020 – 2025**

FAMILY & PEOPLE

Conflict Resolution Services:

We will continue to use the Strategy to guide our early intervention work in this area. Across Scotland we will strive to promote positive family relationships and change the culture of conflict in Scotland wherever we can. We will nurture new relationships and build on existing partnerships in order to expand our reach and progress development ideas.

We will work creatively, across services, to diversify and maximise our reach and impact, including:

- delivering the Live Life programme with veterans and their families

In 2019/20 we will....

- creating and promoting of new digital psychoeducational resources
- identifying funding to expand our work with secure services
- working in conjunction with The Rock Trust, deliver of the Early Intervention Project in Edinburgh
- exploring opportunities to enhance rights-based approaches and youth engagement work
- continuing partnership work with Glasgow Science Centre and the University of Dundee
- exploring opportunities to expand our work and share our expertise in working with care-experienced young people

OPAL – Older People, Active Lives: We will continue to expand and develop the service and work with all partners including West Lothian Council to ensure we best meet the needs of the ageing population of West Lothian.

In our **Edinburgh-based Golden Years' Service**, we will continue to meaningfully engage with our stakeholders in considering the future delivery of the service. It is important to us to have a good understanding and awareness of what else is available locally and to complement and enhance the delivery of a supportive service.

Addictions Recovery has a positive impact way beyond the person struggling with addiction, and so making it visible is crucial in reaching out to people and in addressing the stigma of addiction. We will continue to champion this through our role as an employer and within the activity we engage with. We understand that recovery needs to start somewhere, and for those who are homeless that starting point will be harder to find. We will use our experience in recovery community development to influence our work in Housing First. We will do so by both explicitly employing people in recovery to work within the project, and by ensuring that though the individual will drive their journey, our aspirations for their recovery will remain high.

At **Addiewell Visitors Centre**, we will continue to learn from the feedback from our service users, identifying gaps in provision and development opportunities, including targeted work with young people. In conjunction with partners we will develop our arts and media-based work on mental health and other issues. We will continue to develop our volunteer strategy and ensure an effective volunteer training programme is in place. We will explore and nurture peer support for visitors. Where possible we will, in conjunction with the prison, seek to develop opportunities to re-build and sustain relationships between visitors and their family members.

HOME & HOUSING

This year we will continue to keep the **Social Bite Village** full, establish the best ways of supporting people move on from the village, and expand the development opportunities for residents of the village

As part of ongoing development and improvement within our **Communities**, we continue our effort to source a new building for the city community. A possible suite has been identified and we hope that scoping and planning permission will be significantly progressed over the coming months.

In the coming year across our **Outreach Services** we will:

- commence our role in the delivery of **Housing First** support, taking on the support of 28 people in the next year
- launch our new **hospital discharge project**, working in partnership with the royal infirmary and western general hospitals to support those who are homeless through the hospital discharge process.
- seek resource to continue developing and expanding the work we do to **support people off the streets**
- expand our **Front Line Network** project, developing geographically to ensure that the voice of those in front line homelessness have a voice in policy

WORK & SKILLS

Learning and Work:

In the coming year we will seek to consolidate our existing **Learning and Work programmes**, as well as embed, and report on, the newer areas of work. We will consolidate our existing partnerships with BOLD, University of Edinburgh and the Rivers Centre. We will deliver our GameChanger wellbeing programme with women who have

In 2019/20 we will....

experienced trauma and explore appropriate opportunities to improve digital literacy across Learning and Work services. We will work with BOLD to secure continuation funding for the Creative Natives project and work in partnership with WorkingRite to deliver the Pioneers project. In addition to delivering Skills Development Scotland courses, we will continue to develop and promote our bespoke Market Led Training courses in new geographical and employment areas.

In the coming year our **Community Justice Employability Service** will continue to develop the one to one support we can offer people furthest from the labour market. We will:

- work with our colleagues in social enterprise to develop and employment pathway between our service and enterprise café within Arnotdale
- launch our recovery peer worker project, aiming to offer 2 weekly groups to those in recovery in the Falkirk area
- redevelop the disused toilet block next to the walled garden, creating a sheltered eating and sitting area

COMMUNITY & FOOD

At our Community Gardens, we will:

- conduct a feasibility study of the walled garden site at the Astley Ainsley hospital
- introduce solar and wind energy to the site and Midlothian community hospital
- increase our resource and capacity to deliver patient engagement to those in hospital
- seek resources to pilot a social prescribing project
- complete the community build Cobb oven project

FareShare: We will further expand our operations to reach our aim of distributing 1,000,000 meals during the year 2019/2020. We will continue to deliver our Access to Free Sanitary Products project as well as further establish our pantry project, a 'pop up shop' enabling people living in food poverty to access a range of healthy food.

Within our **Food Education** service, we will:

- continue to provide CEC funded 8 and 5 week cooking classes for 130 people
- run 2 cooking classes/food events a month for paying members of the public
- continue to expand our supper club model within capacity to encompass other immigrant communities
- refine the community cook club model in order to be able to expand in a more sustainable way
- continue to seek opportunities to run cooking classes in schools and universities, with the NHS and in the wider communities across east central and south Scotland

At our **Farm Enterprise** we will:

- run pop-up stalls and sell produce direct to end consumers
- develop a larger wholesale customer base and improve our communications with them
- further develop the corporate volunteering days to offer a wider range of activities
- develop our upcycling project
- produce a longer term plan which includes product, service and infrastructure improvements and developments

BUSINESS DEVELOPMENT AND CENTRAL SERVICES

Business Development

We will open our new Social Enterprise at Arnotdale House, Falkirk in 2019 and increase our social enterprise income through growing our Enterprise Training opportunities:

- **Arnotdale House:** Cyrenians will be creating a Social Enterprise that offers a café, events/meeting/party spaces and office accommodation. The Social Enterprise will generate income to provide sustainability whilst also offering work experience, volunteering and providing opportunities to remove barriers to employment.
- **Enterprise Training:** To build on our expertise in the field of conflict resolution, we will generate income through our Enterprise Training Service, selling it to customers in the corporate sector, Independent

In 2019/20 we will....

Schools, Third Sector and other appropriate organisations.

In the coming year, the **Fundraising team** will be working with major donors to support a matched-giving Christmas appeal. We will increase regular givers to 150, supporter relationships to 4000 and charity partnerships to 5. We will also provide support to services to ensure maximum income and best fit for available funding.

The **Marketing and Communications** team will create Toolkits for services to manage consistent and on-brand external communications, deliver training in external communications, further increase social media audience, regular engagement and direct action from supporters online.

Our **Quality and Resilience** service will:

- continue to improve strong internal communications
- make training and development opportunities consistent and fair
- implement the Continuous Learning and Development model, our new values led performance management system to increase the resilience and wellbeing of staff
- create more understanding across the organisation about the reasons for gathering data using the 'Measuring and Valuing' element of the Cyrenians Way of Working
- create opportunities to explore data at a more strategic level, demonstrating impact for those that use our services
- work to develop a more trauma informed staff

Within Corporate Services:

We will continue to invest in our business:

- recognise and invest in our staff and volunteers, focussing on the roll out of a new performance management system, continued support through training and development opportunities, the residential programme offered to all staff in partnership with Columba 1400 and providing confidential counselling support to staff
- develop our **Volunteering Support** to enable continued business growth and improved volunteering experience across the organisation
- continuous review and development of management systems including internal communication routes
- continue to upgrade our IT equipment and systems as part of a continuous improvement plan, including replacing our existing server in 2019/20
- continue to engage with IT, HR, Health & Safety and GDPR support specialists to ensure legal compliance of our business practices

STRUCTURE, GOVERNANCE and MANAGEMENT

Cyrenians is an independent registered charity, managed by a Board of Trustees. The charity was founded by deed of trust on 4 June 1968. Until 31 March 2016, it was governed by a declaration of trust dated 25 April 2001.

With effect from 18 March 2016, our legal status formally changed from an unincorporated Trust to a Scottish Charitable Incorporated Organisation (SCIO). Operationally, the change took place from Trust to SCIO in April 2016. The SCIO's governing document is a Constitution dated 18 March 2016.

The Board recruits people with relevant knowledge and skills to fill vacancies that occur in its membership and may at any time appoint any person to be a Trustee, by way of a resolution passed by majority vote at a Board meeting. No other person or external body is entitled to appoint Trustees. Trustees are appointed for a three year term, and can be re-appointed. New Trustees are selected through open recruitment. New Trustees are provided with an induction programme which includes guidance on their responsibilities as Trustees and familiarisation with the activities of the charity. Ongoing training is provided.

The Board is the governing body, legally responsible for ensuring that the charity is effectively and properly run. Formal meetings take place every 6 weeks on an annual cycle with an agenda that reviews all the main strategies in the Corporate Plan and oversees all key financial & organisational matters. The Finance Committee and Remuneration Committee are delegated sub-committees.

The Board of Trustees is the ultimate decision making body. The Board delegates authority for strategic leadership and executive management to the Chief Executive (CEO) who is fully accountable to the Board. The CEO meets regularly with the Chair to plan and lead the main business of the charity. Specific matters reserved for decision by the Board include recruitment of staff to senior posts and the remuneration scales for all staff.

Risk assessment

The charity has a robust Organisational Risk Management Plan which requires the Trustees to formally examine the major strategic, business and operational risks which the Trust faces on an annual basis. The last formal risk review was in September 2019. Between the formal Trustee risk reviews, the Finance Committee discusses risks at its quarterly meetings and reports back any significant new or changing risks to the Trustees. Risks are also discussed by the Leadership Team at its regular meetings and any new risks reported to Trustees. The Trustees confirm that systems have been established to manage all risks identified.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name: Cyrenians
Charity number: SC011052
Legal status: Scottish Charitable Incorporated Organisation (SCIO)
Address (Head Office): Norton Park, 57 Albion Road, Edinburgh, EH7 5QY

The members of the **Board of Trustees** during the year were as follows:

Ian Macmillan (Chair until resignation on 5th February 2019)
Kirsty Bathgate (Current Chair having assumed the role after Ian Macmillan's resignation)
Isobel Wylie (Secretary)
Ciaran McGuigan (Treasurer)
John Wood (resigned 7th August 2018)
Carolyn Girvan
John Lawrie
Pete Flockhart
Elinor Jayne
Luke Jeavons

Leadership Team

Ewan Aitken (CEO)
Amy Hutton
Jane Saren
Kathryn Reilly
Rachael Wallace-Lane
Michelle Lloyd
Lorna Holmes (maternity cover to August 2018)
Neil Hay

Bankers

Royal Bank of Scotland plc
206 Bruntsfield Place
Edinburgh
EH10 4DF

Solicitors

Anderson Strathern
1 Rutland Court
Edinburgh
EH1 2ET

Auditor

Scott Moncrieff
Exchange Place 3
Semple St
Edinburgh
EH3 8BL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity or that period. In preparing these 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 judgments and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

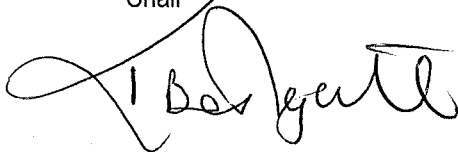
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditor

To the knowledge and belief of each of the persons who are trustees at the time the report is approved:

- so far as the trustee is aware, there is no relevant information of which the charity's auditor is unaware, and
- he/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information, and to establish that the charity's auditor is aware of the information.

Kirsty Bathgate
Chair



Norton Park
57 Albion Road
Edinburgh
EH7 5QY
[DATE]

17 SEPTEMBER 2019

Cyrenians
Independent Auditor's Report to the Trustees
For the year ended 31 March 2019

Opinion

We have audited the financial statements of Cyrenians for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Cyrenians
Independent Auditor's Report to the Trustees (continued)
For the year ended 31 March 2019

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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, 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.

Cyrenians
Independent Auditor's Report to the Trustees (continued)
For the year ended 31 March 2019

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charity's trustees, as a body, 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 charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Scott-Moncrieff, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 17 SEPTEMBER 2019

STATEMENT OF FINANCIAL ACTIVITIES

Incorporating an Income & Expenditure account for the year ended 31 March 2019

	Note	Restricted Funds	Unrestricted Designated Funds	General Funds	Total Funds	2018
		£	£	£	£	£
<i><u>Income and Endowments from:</u></i>						
Donations		73,757	-	270,379	344,136	394,672
Charitable activities	3	4,236,290	800	273,821	4,510,911	3,870,596
Other trading activities		-	-	10,994	10,994	16,554
Investments		-	-	879	879	367
Total		4,310,047	800	556,073	4,866,920	4,282,189
<i><u>Expenditure on:</u></i>						
Raising funds	5	32,221	-	140,997	173,218	119,160
Charitable activities	6	3,996,686	-	247,260	4,243,946	4,156,936
Other		-	1,754	-	1,754	242
Total	7	4,028,907	1,754	388,257	4,418,918	4,276,338
Net income/(expenditure)		281,140	(954)	167,816	448,002	5,851
Transfers between funds	21	166,625	-	(166,625)	-	-
Net income/(expenditure) before other recognised gains and losses		447,765	(954)	1,191	448,002	5,851
Actuarial (losses)/gains on defined benefit pension schemes	18	-	-	(102,000)	(102,000)	256,000
Gain/ (loss) on asset ceiling	18	-	-	114,000	114,000	(121,000)
Net movement in funds		447,765	(954)	13,191	460,002	140,851
Total funds brought forward		822,745	233,189	317,764	1,373,698	1,232,847
Total funds carried forward		1,270,510	232,235	330,955	1,833,700	1,373,698

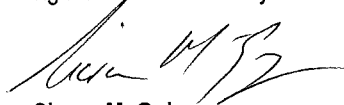
The notes on pages 29-46 form part of these financial statements.


**BALANCE SHEET
as at 31st March 2019**

	Note	£	2019 £	£	2018 £
Fixed Assets					
Tangible assets	11		486,774		469,018
Investments	12		100		100
Current Assets					
Debtors	13	1,239,997		803,896	
Cash at bank and building society	14	665,949		536,661	
Cash in hand	14	4,386		5,425	
			<hr/>	<hr/>	
			1,910,332	1,345,982	
Creditors: amounts falling due within one year	15	(504,692)		(441,402)	
			<hr/>	<hr/>	
Net current assets			1,405,640		904,580
Total assets less current liabilities			<hr/>	<hr/>	
			1,892,514		1,373,698
Creditors: amounts falling due after one year	15		(58,814)		-
Defined benefit pension scheme liability	18		-		-
Total net assets			<hr/>	<hr/>	
			1,833,700		1,373,698
The funds of the charity:					
Restricted income funds	21		1,270,510		822,745
Unrestricted designated funds	21	232,235		233,189	
Unrestricted general funds	21	330,955		317,764	
Pension reserve	18		<hr/>	<hr/>	
			-	-	
Total unrestricted funds			563,190		550,953
Total charity funds			<hr/>	<hr/>	
			1,833,700		1,373,698

The notes on pages 28-44 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustees on 17/9/19 and signed on their behalf by:


Ciaran McGuigan
Treasurer


Isobel Wylie
Secretary

STATEMENT OF CASHFLOWS
For the year ended 31st March
2019

	<i>Note</i>	2019 £	2018 £
Net income for the year (as per SOFA)		448,002	5,851
Adjustments for:			
Defined benefit pension		12,000	29,000
Depreciation charges		92,906	86,269
Bank interest		(879)	(367)
Loan interest		168	-
Loss on the sale of fixed assets		-	791
Increase in debtors		(436,101)	(249,146)
Increase in creditors		122,104	82,507
Net cash provided by/(used in) operating activities		238,200	(45,095)
Cash flows from investing activities			
Bank interest		879	367
Loan interest		(168)	-
Purchase of fixed assets		(110,662)	(307,481)
Net cash used in investing activities		(109,951)	(307,114)
Change in cash and cash equivalents in the year		128,249	(352,209)
Cash and cash equivalents at the beginning of the year		542,086	894,295
Cash and cash equivalents at the end of the year	14	670,335	542,086

The notes on pages 28-45 form part of these financial statements.

NOTES

(forming part of the financial statements)

1 Summary of significant accounting policies

General Information

Cyrenians is a Scottish Charitable Incorporated Organisation (SCIO). It is recognised as a charity and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC011052. The address of the registered and principal office is Norton Park, 57 Albion Road, Edinburgh, EH7 5QR. The principal activities of the charity are detailed in the trustees' report.

The charity meets the definition of a public benefit entity under FRS102.

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

1.1 Basis of preparation

The financial statements are prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council, the statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", the Charities and Trustees Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the trustees to exercise their judgement in the process of applying accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 Going Concern

The trustees have prepared the financial statements on the going concern basis, as there are no material uncertainties about its ability to continue. This is substantiated by Cyrenians Reserves Policy which was updated and approved by Trustees in May 2016. This updated policy includes a formal framework to allow enhanced monitoring and early intervention if required. This framework expresses our approach to determining an appropriate level of reserves. It will be reviewed annually. It has a multi-tier approach with trigger points for action incorporating a RAG warning system.

1.3 Income recognition

Income is recognised when the charity becomes entitled to the income, receipt is probable and the amount can be reliably measured.

Where there are terms or performance related conditions attached to grants and donations, income is recognised to the extent that the conditions have been met. Income received in advance of conditions being met are deferred and released once those conditions are met. Where the grant or donation allows for the recovery by the donor of any unexpended grant, a liability is recognised when repayment becomes probable.

NOTES (continued)

Accounting policies (continued)

1.3 Income recognition (continued)

Donated facilities and services are recognised in income when received and are valued at the amount payable in the open market for an alternative item that would provide an equivalent benefit to the service donated. An equivalent amount is recognised as an expense.

The contribution of unpaid general volunteers is not recognised as income due to the absence of a reliable measurement basis.

Donated assets are recognised as income and as a tangible fixed asset when the fair value exceeds the asset capitalisation threshold of £5,000.

1.4 Funds

Restricted funds are those which have been given to the charity for use in accordance with the wishes of the donors, commonly for use in relation to a specific service.

Unrestricted funds are available for use at the discretion of the trustees. In order to ensure that funds are available for specific projects, certain funds are set aside and designated by the trustees into separate funds.

1.5 Tangible Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Land is not depreciated as it is deemed to have an indefinite useful life. Depreciation is provided on all other tangible fixed assets at a rate calculated to write off the cost less the estimated residual value of each asset over its expected useful life as follows:

Heritable property	2% straight line
Plant & Equipment	25% reducing balance
Motor Vehicles	25% reducing balance

All purchases of furnishings and computer equipment are written off to revenue as incurred.

1.6 Leases

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

1.7 Pensions

The charity has both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate fund. The charity has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service with the charity and compensation levels.

NOTES (continued)

Accounting policies (continued)

1.7 Pensions (continued)

Contributions payable for a period for defined contribution retirement benefit plans are charged as an expense.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in other comprehensive income. All costs relating to the defined benefit plan are recognised in the income statement within employee benefit costs.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. As asset resulting is limited to the present value of available refunds or reductions in future contributions to the plan.

1.8 Recognition and allocation of resources expended

Resources expended are recognised on an accruals basis and related where practicable to the charity's activities. Where possible, expenditure is allocated directly to the function to which it relates. Where this is not possible, it is allocated as a proportion of the direct running cost of the service.

- Costs of raising funds comprises those costs which are associated with the generation of income from sources other than from undertaking charitable activities, and includes membership, fundraising and trading costs.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its charitable activities and services.
- Support costs are apportioned between activities as a proportion of the direct running cost of the service.

1.9 Taxation

No taxation is provided for given the charitable status. The charity has been granted exemption from tax under sections 521 to 536 of the Income Tax Act 2007 and section 256 of the Taxation of Chargeable Gains Act 1992. Any gift-aid payments which the charity is entitled to claim in respect of donations received in the year are accrued into the year's income.

1.10 Financial assets and liabilities

Financial instruments are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

NOTES (continued)

Accounting policies (continued)

1.10 Financial assets and liabilities (continued)

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

1.11 Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

1.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid deposits that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the activities if longer). If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Concessionary loans are initially measured at the amount received and subsequently adjusted to reflect repayments and any accrued interest.

2 Critical judgements and estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

There were no estimates and assumptions made in these financial statements which carry a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the next financial year.

NOTES (continued)

3 Incoming resources from charitable activities

2019

	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
	Home and housing	1,188,952	-	
Family and people	1,523,288	-	-	1,523,288
Work and skills	685,032	800	-	685,832
Community and food	768,791	-	202,058	970,849
Development of new charitable activities	70,227	-	27,263	97,490
Letting of Non-Investment Property	-	-	44,500	44,500
	4,236,290	800	273,821	4,510,911

2018

	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
	Home and housing	974,288	-	
Family and people	1,585,284	-	-	1,585,284
Work and skills	590,012	-	1,531	591,543
Community and food	437,867	-	159,518	597,385
Development of new charitable activities	74,180	-	10,906	85,086
Letting of Non-Investment Property	-	-	33,250	33,250
	3,661,631	-	208,965	3,870,596

4 Grants

Included in charitable activities are the following government grants:

Government Body	Nature of Award	2019 £	2018 £
Third Sector Early Intervention Fund	Scottish Centre for Conflict Resolution	253,081	287,481
Scottish Ministers – Welfare Division	Fareshare food redistribution	25,750	25,750
Scottish Ministers – Social Justice	Aspiring Communities	46,624	13,609
Scottish Ministers – Community Justice	Addiewell Prison Visitor Centre	60,000	50,000
Community Jobs Scotland	Traineeships	49,444	40,093
Fair Food Transformation Fund	Good Food	46,624	40,364
Scottish Ministers – Social Justice	FareShare Period Poverty	17,701	-
		499,224	457,297

NOTES (continued)

4 Grants (continued)

Cyrenians places volunteering at the heart of its purpose and activities. We are committed to ensuring that local people have the opportunity to volunteer to help address the needs of their community. Over several years the charity has significantly increased the number and variety of volunteering roles and achieves continuous improvement in the value of volunteering to the volunteers themselves, to the community (including businesses) and to the charity. 968 volunteers worked a total of 76,673 hours in 2018/19. This is the equivalent of 46 full time posts.

Donated goods, facilities and services not recognised as income amount to £15,500 2018/19 (2017/18: £21,500)

5 Expenditure on raising funds

2019

	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Fundraising staff costs	27,464		79,372	106,836
Events costs	-		39,876	39,876
Other	4,757		21,749	26,506
	32,221		140,997	173,218

2018

	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Fundraising staff costs	8,317	-	73,357	81,674
Events costs	-	-	11,152	11,152
Other	3,835	-	22,499	26,334
	12,152	-	107,008	119,160

NOTES (continued)

6 Expenditure on charitable activities

2019

	Restricted	Designated	Unrestricted	Total	
	Funds		Funds		Funds
	£		£		£
Home and housing	1,017,419	-	17,538	1,034,957	
Family and people	1,521,199	-	25,758	1,546,957	
Work and skills	555,588	-	9,408	564,996	
Community and food	799,576	-	158,463	958,039	
Development of new charitable activities	102,904	-	31,086	133,990	
Letting of Non-Investment Property	-	-	5,007	5,007	
	3,996,686	-	247,260	4,243,946	

2018

	Restricted	Designated	Unrestricted	Total	
	Funds		Funds		Funds
	£		£		£
Home and housing	925,329	-	26,856	952,185	
Family and people	1,567,988	-	48,748	1,616,736	
Work and skills	606,028	-	14,908	620,936	
Community and food	729,765	-	131,816	861,581	
Development of new charitable activities	27,973	-	69,869	97,842	
Letting of Non-Investment Property	-	-	7,656	7,656	
	3,857,083	-	299,853	4,156,936	

NOTES (continued)

7 Support Costs

The support costs are allocated to charitable activities as a proportion of the direct running cost of the service.

2019

	Management & strategic development	Finance, HR & IT	Governance	Other	Total support	Direct costs	Total costs
	£	£	£	£	£	£	£
Home and housing	31,004	43,740	17,220	10,145	102,109	932,848	1,034,957
Family and people	48,501	68,425	26,938	15,871	159,735	1,387,222	1,546,957
Work and skills	18,779	26,493	10,430	6,144	61,846	503,150	564,996
Community and food	26,531	37,429	14,736	8,682	87,378	870,661	958,039
Develop new charitable activities	4,651	6,562	2,583	1,522	15,318	118,672	133,990
Let non-Investment Property	240	339	133	79	791	4,216	5,007
Raising funds	3,757	5,300	2,087	1,230	12,374	160,844	173,218
Other	-	-	-	-	-	1,754	1,754
	133,463	188,288	74,127	43,673	439,551	3,979,367	4,418,918

2018

	Management & strategic development	Finance, HR & IT	Governance	Other	Total support	Direct costs	Total costs
	£	£	£	£	£	£	£
Home and housing	31,010	38,269	14,864	19,857	104,000	848,185	952,185
Family and people	50,475	62,291	24,194	32,321	169,281	1,447,455	1,616,736
Work and skills	19,199	23,694	9,203	12,294	64,390	556,546	620,936
Community and food	27,009	33,332	12,946	17,295	90,582	770,999	861,581
Develop new charitable activities	11,806	14,570	5,659	7,560	39,595	58,247	97,842
Let non-Investment Property	216	267	104	139	726	6,930	7,656
Raising funds	3,282	4,050	1,573	2,102	11,007	108,153	119,160
Other	-	-	-	-	-	242	242
	142,997	176,473	68,543	91,568	479,581	3,796,757	4,276,338

NOTES (continued)

8 Governance costs

	2019	2018
	£	£
Audit fees	7,837	7,782
Legal fees / SCIO	4,741	1,822
Staff and office costs attributed to governance	60,634	57,555
Trustee training	915	1,384
	<u>74,127</u>	<u>68,543</u>

9 Transactions with related parties

There were no related party transactions during the year.

10 Employee benefit expenses

The average monthly number of staff employed by the Trust during the year ended 31 March 2019 was 143 (2018: 130) of whom 136 worked on direct charitable activities and 7 provided head office support.

The aggregate payroll costs of these persons were as follows:-

	2019	2018
	£	£
Salaries	2,794,188	2,719,592
Social security costs	206,712	206,471
Employer contributions to defined contribution pension schemes	119,763	109,351
Operating costs of defined benefit pension schemes	52,802	63,340
Agency staff/self-employed	15,076	1,170
	<u>3,188,541</u>	<u>3,099,924</u>

The key management personnel of Cyrenians comprise the Chief Executive Officer, Head of Finance and Corporate Services, Head of Business Development, Heads of Service and Head of Quality. The total amount of remuneration and benefits received by its key management personnel for their services to the charity was £314,818 (2018: £346,066).

No Trustees were remunerated nor received any other benefits from an employment with the charity during the year (2018: none).

No trustee expenses were incurred during the year (2018: £nil)

The Trust had one employee who meets the definition of a high earner; and had emoluments in the range £70,000 - £79,999 (2018: one high earner).

NOTES (continued)

11 Tangible fixed assets

	Heritable Property £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2018	317,244	406,781	40,635	764,660
Acquisitions	2,488	75,208	32,966	110,662
At 31 March 2019	319,732	481,989	73,601	875,322
Depreciation				
At 1 April 2018	90,564	169,407	35,671	295,642
Charge for year	5,274	78,146	9,486	92,906
At 31 March 2019	95,838	247,553	45,157	388,548
Net Book Value				
At 31 March 2019	223,894	234,436	28,444	486,774
At 31 March 2018	226,680	237,374	4,964	469,018

All assets are held for charitable purposes.

At the year-end there were no capital commitments.

12 Investments

	2019 £	2018 £
Investment in Subsidiary undertaking	100	100

The Charity holds 100% of the issued share capital of the Cyrenians Enterprises Community Interest Company. This company has been dormant since incorporation in April 2007.

13 Debtors

	2019 £	2018 £
Trade debtors	679,848	323,004
Prepayments & accrued income	545,699	454,303
Other debtors	14,450	26,589
	1,239,997	803,896

NOTES (continued)

14 Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	433,384	305,570
Notice deposits	236,951	236,516
Total cash equivalents	<u>670,335</u>	<u>542,086</u>

15 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	64,711	51,963
Accruals and deferred income	339,357	293,549
Taxation and social security	55,716	52,897
Other creditors	35,957	42,993
Concessionary loan	8,951	-
	<u>504,692</u>	<u>441,402</u>

Creditors: amounts falling due after one year

	2019	2018
	£	£
Concessionary loan	58,814	-
	<u>58,814</u>	<u>-</u>

The concessionary loan from Postcode Innovation Trust was made toward the Enterprise Training Service and Arnotdale House start-up costs. The loan is unsecured, subject to an interest rate of 3% per annum and is repayable by instalments over 7 years. Cyrenians can repay the loan in full, increase the level of repayments or accelerate repayments without penalty with the lender's prior consent.

16 Deferred income

	2019	2018
	£	£
Balance as at 1 April 2018	271,405	153,885
Amounts released in relation to previous years	(268,562)	(144,601)
Income deferred in the year	277,722	262,121
At 31 March 2019	<u>280,565</u>	<u>271,405</u>

Where the charity has a funding agreement to provide a service over a specific period extending beyond the year end the appropriate proportion of the income is deferred.

17 Financial assets and liabilities

	2019	2018
	£	£
Financial assets at amortised cost	1,896,273	1,341,160
Financial liabilities at amortised cost	<u>(160,290)</u>	<u>(117,100)</u>
	<u>1,735,983</u>	<u>1,224,060</u>

Financial assets at amortised cost comprise of investments in subsidiary undertakings, cash and cash equivalent, trade debtors, other debtors and accrued income.

Financial liabilities comprise of trade creditors, accruals and other creditors, all due within one year.

18 Defined Benefit Plan

Cyrenians participates in the Lothian Pension Fund which is a defined benefit Local Government Pension Scheme administered by The City of Edinburgh Council. From 1 January 2007, the scheme is closed to new members, but Cyrenians offers all other staff a stakeholder pension scheme with Standard Life.

A valuation of this defined benefit pension fund is carried out triennially; the most recent formal valuation of the fund was at 31 March 2018, by Hymans Robertson, independent actuaries. Liabilities are valued on an actuarial basis using the projected unit credit method, which assess the future liabilities of the fund discounted to their present value. This actuarial valuation forms the basis of contribution rates. The employer contribution rates for 2018/19; 2019/20 and 2020/21 are set at 27.3% of gross pay, 32.3% of gross pay and 37.3% of gross pay respectively. The next full actuarial valuation will be at 31 March 2020.

Employer contributions to the Lothian Pension Fund during the year amounted to £37,802 (2018: £37,340). Employer contributions for the period to 31 March 2020 will be approximately £45,000.

Explanation of amounts in the financial statements

Amounts recognised in the balance sheet at 31 March 2019	Value at 31 March 2019	Value at 31 March 2018
	£000	£000
Fair value of assets	3,187	2,953
Present value of funded obligations	(3,180)	(2,832)
Surplus	7	121
Asset ceiling loss	(7)	(121)
Net defined benefit liability at 31 March 2019	-	-
Amount recognised in the statement of financial activities over the year	31 March 2019	31 March 2018
	£000	£000
Current service cost	53	64
Interest on liabilities	77	83
Interest on assets	(80)	(80)
Total	50	67

NOTES (continued)

18 Defined Benefit Plan (continued)

Reconciliation of Assets and Defined Benefit Obligation

The change in the assets over the period was:

	31 March 2019	31 March 2018
	£000	£000
Fair value of assets at the beginning of the period	2,953	3,099
Interest on assets	80	80
Participants contributions	8	10
Company contributions	38	38
Benefits paid	(48)	(60)
Return on plan assets less interest	156	(214)
Fair value of assets at the end of the period	3,187	2,953

The change in the defined benefit obligation over the period was:

	31 March 2019	31 March 2018
	£000	£000
Defined Benefit Obligation at the beginning of the	2,832	3,205
Service costs	53	64
Interest costs	77	83
Participant contribution	8	10
Benefits paid	(48)	(60)
Experience (gain) on defined benefit obligation	-	-
Changes in demographic assumptions	-	(22)
Changes to financial assumptions	258	(79)
Other experience	-	(369)
Defined benefit obligation at the end of the period	3,180	2,832

Assets

The major categories of assets as a percentage of total assets are as follows:

Asset Category	31 March 2019	31 March 2018
Equities	37%	75%
Bonds	57%	11%
Property	4%	7%
Cash	2%	7%
Total	100%	100%

The assets do not include any investment in Cyrenians or related properties.

Actuarial assumptions

The principal assumptions used to calculate the Scheme's liabilities include:

	31 March 2019	31 March 2018
Discount rate	2.5% pa	2.7% pa
Future salary increases	4.2% pa	4.1% pa
Future pension increases	2.4% pa	2.4% pa

NOTES (continued)

18 Defined Benefit Plan (continued)

Mortality

Year to 31 March 2019

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.7 years	24.3 years
Future pensioners	24.7 years	27.5 years

*figures assume members aged 45 as at the last formal valuation

Mortality assumptions used to value the obligations in the employer's closing position are identical to those used to value the obligations in the employer's opening position. Life expectancies for the prior period end are based on the Fund's Vita Curves with improvements in line with the CMI 2016 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.25%.

It has been assumed that retiring members will opt to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% for post-April 2009 service (assumption unchanged from previous year).

19 Defined Contribution Plan

Since 1 January 2007 the Trustees have closed membership to the Lothian Pension Fund to new staff. Since that time all staff who are not members of the Lothian Pension Fund have been offered membership of a stakeholder pension scheme with Standard Life, which is a defined contribution scheme with employer contributions of between 6% and 12% subject to employee contribution of 6%. Auto-enrolment into the Standard Life scheme commenced on 1 October 2014 with employer contributions of 1%, but all staff continuing to be offered enhanced employer contributions under the same terms as the original stakeholder scheme. Employer contributions to the Standard Life scheme during the year amounted to £119,763 (2018: £109,351).

NOTES (continued)

20 Analysis of net assets among funds

The fund balances at 31 March 2019 are represented by:

2019	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Fixed assets	-	227,480	259,394	486,874
Net current assets	1,270,510	4,755	130,375	1,405,640
Creditors due in more than 1 year	-	-	(58,814)	(58,814)
	<u>1,270,510</u>	<u>232,235</u>	<u>330,955</u>	<u>1,833,700</u>

2018	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Fixed assets	-	226,680	242,438	469,118
Net current assets	580,307	6,509	317,764	904,580
	<u>580,307</u>	<u>233,189</u>	<u>560,202</u>	<u>1,373,698</u>

NOTES (continued)

21 Funds

2019	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Other gains/(losses) £	Balance at end of year £
<u>Restricted Funds</u>						
Home and housing	83,188	1,188,953	(1,017,419)	1,408	-	256,130
Family and people	300,474	1,523,288	(1,521,199)	(2,148)	-	300,415
Work and skills	75,437	685,031	(555,588)	2,551	-	207,431
Community and food	291,222	842,548	(831,797)	137,396	-	439,369
Development of new charitable activities	72,424	70,227	(102,904)	27,418	-	67,165
Sub total restricted	822,745	4,310,047	(4,028,907)	166,625	-	1,270,510
<u>Unrestricted Designated Funds</u>						
Properties	226,680	800	-	-	-	227,480
Des Ryan sports fund	5,425	-	(1,393)	-	-	4,032
Leslie Sorrie memorial fund	1,084	-	(361)	-	-	723
Sub total designated	233,189	800	(1,754)	-	-	232,235
Unrestricted General Funds	317,764	556,073	(376,257)	(166,625)	-	330,955
Pensions reserve	-	-	(12,000)	-	12,000	-
Sub total unrestricted	550,953	556,873	(390,011)	(166,625)	12,000	563,190
Total Reserves	1,373,698	4,866,920	(4,418,918)	-	12,000	1,833,700
2018	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Other gains/(losses) £	Balance at end of year £
<u>Restricted Funds</u>						
Home and housing	87,614	974,806	(925,329)	(53,903)	-	83,188
Family and people	231,856	1,587,307	(1,567,988)	49,299	-	300,474
Work and skills	55,259	591,104	(606,028)	35,102	-	75,437
Community and food	257,405	718,034	(741,917)	57,700	-	291,222
Development of new charitable activities	26,217	74,180	(27,973)	-	-	72,424
Sub total restricted	658,351	3,945,431	(3,869,235)	88,198	-	822,745
<u>Unrestricted Designated Funds</u>						
Properties	207,172	-	-	19,508	-	226,680
Des Ryan sports fund	5,425	-	-	-	-	5,425
Leslie Sorrie memorial fund	1,326	-	(242)	-	-	1,084
Sub total designated	213,923	-	(242)	19,508	-	233,189
Unrestricted General Funds	466,573	339,758	(380,861)	(107,706)	-	317,764
Pensions reserve	(106,000)	(3,000)	(26,000)	-	135,000	-
Sub total unrestricted	574,496	336,758	(407,103)	(88,198)	135,000	550,953
Total Reserves	1,232,847	4,282,189	(4,276,338)	-	135,000	1,373,698

NOTES (continued)

21 Funds (continued)

Restricted funds occur when a funder states that the funding is for a specific project or programme and cannot be used for any other purpose. The balance remaining at the financial year end is carried forward to the following year to fund the ongoing commitments of the project or programme.

Decisions are taken to use unrestricted income to fund restricted projects for a number of reasons including: (i) a conscious strategic decision in advance of delivery to gap-fund projects where the funder does not cover all project or apportioned overhead costs, (ii) shortfalls in budgeted match funding which is subsequently not secured, and (iii) unbudgeted/unexpected project overspends. Unrestricted income has been utilised in 2018/19 to the extent that restricted income was insufficient to cover the full cost of delivering the Good Food programme (£68,675), Cyrenians Farm (£56,546), Conflict Resolution Services (£2,907), Community gardens (£12,181), Learning and Work (£2,551), Outreach Services (£7,990), development of new social enterprises (£13,530) and others (£2,245) during the year.

Within Community and food, £93,000 of income recognised in 19/20 will be for expenditure in 19/20, for which would directly lead to a deficit in 19/20 within this area. The £93,000 has therefore been held in restricted reserves to mitigate against this deficit.

The Properties Fund at 31 March 2019 represents the net book value of the charity's properties. Each year an amount equal to the depreciation charge is released.

The Des Ryan Sports Fund was set up following the death of the charity's Chief Executive in April 2013. The fund is used to support those we are working with and whom would benefit from physical activity by way of small grants.

The Leslie Sorrie memorial fund was set up to commemorate a former employee of the charity. Small welfare grants of up to £100 are paid out to clients engaged in the charity's services.

Included within the above reserves analysis are amounts received from specific funding bodies who have requested that their funds be identified separately, as follows:

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Big Lottery Fund Grant (Befriending)	52,948	143,089	(137,967)	58,070
Big Lottery Fund Grant (Conflict Resolution)	80,222	160,444	(142,284)	98,382
Lankelly Chase Foundation (Outreach)	42,492	59,861	(53,487)	48,866
NHS Lothian (Good Food Programme)	-	26,212	(26,212)	-
Early Intervention Fund (Scottish Centre for Conflict Resolution)	-	240,000	(240,000)	-

22 Operating Leases

Future minimum lease payments on non-cancellable operating lease rentals are payable as follows:

	2019 £	2018 £
Not later than one year	80,334	74,951
Two to three years	7,611	7,661