

Company registration number: 00995799

Charity registration number: 500640

# THE CYRENIANS LIMITED

operating as

CHANGING LIVES

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

**The Cyrenians Limited**  
**operating as Changing Lives**

**Contents**

Chairman's Statement	1
Reference and Administrative Details	2
Trustees' Report	3 to 16
Independent Auditors' Report	17 to 20
Consolidated Statement of Financial Activities	21
Comparative Consolidated Statement of Financial Activities	22
Consolidated Balance Sheet	23
Balance Sheet	24
Consolidated Statement of Cash Flows	25
Notes to the Financial Statements	26 to 57

# **The Cyrenians Limited**

## **operating as Changing Lives**

The trustees (who are also the Directors of the Company for the purposes of company law) are pleased to present their annual directors' report, including Strategic Report, together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

### **Chair's Report**

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

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

The last year has been a challenging one, starting as we emerged from the third national Coronavirus lockdown with continued uncertainty and challenges with recruiting people and ending with increasing concerns about the impact of the rises in cost of living on the people we work with, our teams and the organisation.

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

The continued impact of the Covid19 pandemic, political uncertainty, Brexit, the war in Ukraine and other global pressures have resulted in an operating environment where many variables are beyond our control and are having a disproportionate impact on the people who use our services, and equally on our ability to attract, hire and retain our workforce. At a time when Changing Lives services are needed more than ever, our 18-month strategy has been set to ensure we are:

- Delivering Excellent Services
- Being Sustainable
- Improving Diversity and Inclusion
- Influencing Social Change

The next couple of years will undoubtedly be challenging, Changing Lives is in a strong position and this strategy will help guide us and ensure we keep our focus on what matters most to the people who use our services.

Dean Fielding  
Chair of Trustees

# The Cyrenians Limited

## operating as Changing Lives

### Reference and Administrative Details

<b>Trustees</b>	Dean Fielding, Chair Stephen Guyon, Vice Chair Lesley Telford, Treasurer Michael Barton Pete Brown Catherine Hearne Geraldine Kay
<b>Secretary</b>	Susan Carr
<b>Key Management Personnel</b>	Stephen Bell, Chief Executive Becky Elton, Deputy Chief Executive Laura Seebohm, Executive Director of External Affairs (April 21 - Jan 22) Nigel Dawson, Interim Director of Finance Lesley-Anne Knowles, Executive Director, People
<b>Registered Office</b>	Unit D13 Marquis Court Team Valley Trading Estate Gateshead Tyne and Wear NE11 0RU The charity is incorporated in England.
<b>Company Registration Number</b>	00995799
<b>Charity Registration Number</b>	500640
<b>Solicitors</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX  Womble Bond Dickinson LLP 112 Quayside Newcastle upon Tyne NE1 3DX
<b>Bankers</b>	Barclays Bank plc Newcastle City 9 49 - 51 Northumberland Street Newcastle upon Tyne NE1 7AF
<b>Auditor</b>	Azets Audit Services Chartered Accountants and Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

#### **Structure, Governance and Management**

The Charity group is comprised of the parent company, The Cyrenians Ltd and its wholly owned subsidiary TCUK Homes Ltd, the latter a charitable company limited by guarantee on 11 February 2022. TCUK Homes Ltd is also a registered social landlord.

#### **Governing Document:**

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

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

#### **Appointment of trustees:**

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

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

#### **Trustee induction and training:**

A new member's Induction Package includes the following:

- Governance Handbook
- Membership Form
- Companies House Form
- DBS Form
- The Role of the Board of Directors
- Board Members information Sheets
- Information around any training requirements
- Organisational Chart
- Most recent audited accounts
- Changing Lives Strategic and Business Plan
- Board Meeting Schedule
- Copies of the last three Board Meeting minutes.

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

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

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

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

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

#### **Organisation:**

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

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

- Finance
- Risk and Quality
- Remuneration

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

#### **Related parties and co-operation with other organisations:**

None of our Trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or member of the Senior Leadership Team must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions are reported in note 27.

#### **Objectives and Activities**

##### **Purpose and Aims**

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

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

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

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

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

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

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

#### **Ensuring our work delivers our aims**

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

#### **The focus of our work**

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

#### **Four Pillars**

##### **Housing and Homelessness Service:**

There are a range of circumstances which mean people find themselves homeless, including family breakdown, addictions, mental and physical ill health and leaving prison or hospital. We want homelessness to be a brief transitory period in someone's life, not a permanent label or a cycle from which people find it hard to escape. Our homelessness services provide a safe place to stay, help to sort out practical issues, and strengths-based support. The ultimate aim is for people to transition out of homelessness and tough times in their lives quickly and positively, with a whole new community-based network of support built around them ready for the next steps in their journey.

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

#### **Drug and Alcohol Service:**

Addiction is one of the biggest factors in social exclusion, and the two often go hand-in-hand. Our dedicated drug and alcohol services offer tailored support to adults who are thinking about abstinence from drugs, alcohol, and/or substitute medications, and those who are taking active steps towards it. Across the Northeast and Yorkshire, we are on hand to help people take their first steps towards abstinence, support their ongoing recovery, and celebrate the recovery community.

#### **Women and Children's Service:**

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

Our dedicated staff members support women:

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

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

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

#### **Employment Services:**

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

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

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

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

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

In 2021/22 we worked with around 12,000 people across our services and four pillars, in the Midlands, the North and Westminster to integrate services and develop new approaches that are person-led.

#### **Our volunteers:**

Our work is supported by a committed team of over 149 volunteers who collectively contributed over 14,000 hours in 2021/22. Volunteers support us across our services in a variety of roles including counselling, mentoring and in our central services.

#### **Public Benefit:**

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

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

#### **Achievements and Performance:**

##### **Review of Operations**

2021/22 was a challenging year for Changing Lives' operational services. Having tirelessly worked to support people through a year of lockdowns and uncertainty caused by the pandemic, the after effects, plus national and global events continued to cause hardship for the people we work with and continued challenges for our teams. In common with many organisations' recruitment was challenging and we had to adapt to changing patterns of demand and usage of our services. Despite all of this, our teams continued to focus on the people using our services, delivering, and ensuring consistent, positive support to help people overcome trauma and build on their strengths.

Our services continued to develop, we significantly expanded the delivery of women's criminal justice services with direct contracts with the Ministry of Justice in Northumbria, Cleveland, South Yorkshire West Midlands, Staffordshire, Leicestershire and Warwickshire. To deliver these contracts we work in close partnership with other women's organisations in the areas in which we work. As part of the mobilisation of this work we also achieved ISO27001 accreditation.

We welcomed the Middlesbrough Domestic Abuse Refuge, providing a safe space and support for women and families fleeing abuse, with plans to develop dispersed accommodation accessible for all people experiencing domestic abuse.

In partnership with Durham County Council, we opened a new service in Spennymoor, the North Eastern, providing supported accommodation for people experiencing homelessness in the county.

In Northumberland and North Tyneside, Mental Health Outreach services launched, providing strengths based support to people leaving hospital to help them stay well and access services in their communities.

# The Cyrenians Limited

## operating as Changing Lives

### Trustees' Report

Our influencing work continued, including via the STAGE project, a partnership project which works with women experiencing sexual exploitation across the North of England and aims to influence their treatment and access to support, including access to justice, access to safe housing, how we support black and minoritized women, access to good health services and transitional ages. The STAGE influencing group continues to be chaired by Jess Phillips, MP, and involves key partners.

In April, then Civil Society Minister Baroness Diana Barran gave a keynote speech at our 50th Celebration Roundtable breakfast event 'Recovery from the Pandemic: How do we support people and communities in the Northeast to Build Back Better?', and in July we hosted a roundtable for the Better Way Network, 'Doing Things Differently in the North'.

Our 'Learning to Listen Again' report, produced jointly with the Centre for Public Impact, was published in May, and the potential of this methodology to change power dynamics so people who are seldom heard can be involved in democratic processes has attracted wide interest.

We have highlighted the potential of dispersed housing as a community-led response to homelessness. In September, our flagship project, Bentinck Terrace, was officially opened by the Government's former rough sleeping advisor Baroness Louise Casey.

In October, our STAGE partnership hosted an online parliamentary event chaired by the Victims' Commissioner Dame Vera Baird and featuring key MPs and peers to raise awareness of sexual exploitation. This coincided with our announcement of £1m funding from the National Lottery Community Fund to continue our work to raise awareness of adult sexual exploitation.

### Future Plans

**Our 2022/24 Strategy sets out our overarching objectives for the year ahead.**

#### 1. Excellent Services

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

- Continue our "Working with Purpose" work so services are led locally, can better listen to and focus on what matters to people we work with and are supported to be creative, agile, flexible and sustainable.
- Ensure Being Becoming Belonging continues to be relevant and useful to our services and the people we work with.
- Focus on quality across all our services, both operational and enabling.
- Provide learning and development opportunities for everyone who works for Changing Lives to create and maintain happy, skilled and supported teams
- Develop our IT and data systems to ensure that services can thrive and maximise time spent with people we work with, and we are digitally fit for the future.
- Continue to improve our understanding and measurement of what really matters to the people we work with, allowing us to better reflect on and learn from practice.

# The Cyrenians Limited

## operating as Changing Lives

### Trustees' Report

#### 2. Sustainability

The organisation and the people we work with are facing pressures on costs the like of which we have not seen for over 30 years and climate change needs to be urgently addressed by us all. We will focus on sustainable growth, quality, efficiency and environmental responsibility in order to ensure we can continue to respond to what matters to the people who use our services in the short, medium and long term. To do this we will:

- Define a strategy for sustainable growth which outlines the main opportunities to March 2024, focusing in and around our geographical footprint.
- Continue to develop trust and confidence in Changing Lives' brand, strengthening relationships with our partners, supporters, donors and commissioners.
- Conduct a strategic review of all services, operational and enabling, with a focus on quality, impact and sustainability.  
Review organizational budgets and procurement processes to identify efficiencies in order to maximize resources available to offset cost of living increases, considering both salaries and how we support people.
- Engage with all commissioners and funders to explore impact of inflation and how funding can be increased or agree greater flexibility in how services are specified and delivered.  
Influence our strategic partners and infrastructure organisations to increase the voice of the sector on impact of the rising cost of living and the wider economic context, on both the organisation and the people we work with.
- Develop a plan to achieve a just transition to net-zero by 2030.  
Liquidate assets that are no longer fit for purpose or under-utilized in order to pay down loans and increase financial flexibility - combine utilization of assets used for general needs housing to supported accommodation in order to reduce reliance on private landlords.

#### 3. Diversity & Inclusion

Systemic discrimination is a significant factor for many of the people we work with, keeping people trapped in the system and unable to fulfil their potential. We recognise that at Changing Lives we must be proactively anti-discriminatory and in particular to be anti-racist. We want our staff teams and leadership to reflect the communities in which we work and be open and relevant for people who need our services. We commit to improving diversity and inclusion at all levels of the organisation. To do this we will:

- Recruit, including senior staff and board members, to better reflect communities in which we work and ensure our decisions are informed by diverse perspectives.  
Ensure we are accessible, inclusive and engaged with all minoritised groups in our communities, working with colleagues, people who use our services and partner organizations.
- Support our employee forums, including Staff Voice, Solidarity, LGBTQIA and Lived Experience, to influence organisational developments and delivery.  
Continue to listen and respond to, and raise the voices of, people who experience racism and other forms of discrimination, including our colleagues, people who use services and the communities in which we operate.
- Ensure all colleagues have access to relevant and ongoing training on diversity and inclusion.

# The Cyrenians Limited

## operating as Changing Lives

### Trustees' Report

- Develop a clear and measurable diversity and inclusion action plan in collaboration with colleagues and people we work with.

#### 4. Social Change

Changing Lives delivers services that primarily respond to people experiencing crisis, however we know that this alone will not create longer term change and ultimately social justice. We want to challenge the assumption that crisis is inevitable, promote preventative action and improve responses across the system. To do this we will:

- Work to influence policy, systems and practice through demonstrating and sharing our learning, raising the voices of people we support and working collaboratively to influence change together
- Focus on understanding how the Cost-of-Living crisis is affecting the people we work with and our staff teams to shape our own response and influence responses locally and nationally.
- Build on the work we have been doing to measure impact and listen to people we work with, to understand, articulate and evidence what really matters to people.
- Meaningfully involve people who use our services in creating and influencing policy and practice.
- Connect with people and organisations who are working on social change, in particular in relation to the thematic areas we work in and the overarching areas of poverty, health inequality and social justice
- Work with and support partnerships concerned with systems change, including Changing Futures and York Multiple Complex Needs network.
- Celebrate and promote how our services support people in innovative ways to achieve a flourishing life.

#### Our Workforce - Employee Engagement:

The end of the third national lockdown in April 2021 marked the beginning of the financial year and a gradual easing of restrictions and move towards wider social contact. For the people who work with us, this impacted in different ways. For colleagues working in our services, the changes meant a continuation of working arrangements that had continued throughout the pandemic whereby our focus was on delivering support and managing any risk as far as we were able. For colleagues working within our enabling support functions, this meant a gradual return to office-based working and in-person contact. We had to accept that the world had fundamentally changed and therefore it was important to use our experiences and insights to think carefully about ways of working and connecting for the future. This came about through our commitment to "Working with Purpose" whereby efforts focussed on local service delivery and what really matters to the people we support and the people we work with. This included thinking carefully about how our teams connect both across operational services but also with our enabling support functions and how we could work towards a "one-team" approach.

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

We tackled this in various ways, one solution included beginning a programme of system and process improvements to remove barriers with the aim of connecting teams whilst also supporting colleagues in our services to carry out their roles in the best way possible. This included the introduction of an automated recruitment platform to attract and hire new colleagues in a more timely and efficient way thus significantly reducing the burden on operational colleagues. This had the effect of building stronger relationships across operational and enabling teams given the shared purpose for improvement at the time of the national recruitment crisis during the autumn of 2021.

Connecting colleagues across our different services and geographies was also a key focus coming out of the pandemic and particularly for new colleagues who had joined us and whose onboarding experience had been affected. We invested effort in ensuring our communications were informative, relevant and accessible to all colleagues. The senior leadership team also took the opportunity, when restrictions allowed, to increase project visits to meet with, and hear from, our colleagues and encouraged others to do the same. Similarly, our Staff Voice Forum continued to reach out to colleagues and supported the work of various support networks in holding safe spaces for colleague connection, support and sharing of experiences. Our much loved and highly anticipated annual staff celebration event was postponed for the second year running with plans to hold an in-person event during summer 2022. We used the date set aside for the annual event for teams to celebrate their efforts and successes locally.

It was important during this period for us to think carefully about the effects of the past two years on our colleagues and to ensure our support provisions were relevant and accessible to everyone. We carefully monitored colleague behaviours during this period, e.g. sickness and other absence and continued our efforts to deliver wellbeing support that promoted good health whilst delivering timely support when things were not right. We particularly focussed efforts on mental wellbeing given we had identified a rise in absence rates, whilst at the same time looking at ways to improve work and the associated challenges which were occasionally associated with periods of absence. Our efforts saw us maintaining absence rates at workable levels, i.e. around 9% at the end of the previous financial year (FY20/21) which were reduced to around 3.8% at the end of this financial year (FY(21/22).

A significant time during the latter part of this year was committed to responding to what was coined “the Great Resignation” at a time when demand for jobs nationally far exceeded supply, the effects of which saw high turnover for Changing Lives coupled with significant difficulty in hiring new staff. Whilst efforts to turn this around were a priority, including reducing resultant reliance on temporary workers, the impacts upon staff could not be underestimated. Pay appeared to be a contributory factor for increased turnover whereby employers with ability to increase pay rates were successful in attracting talent. In addition, we saw high turnover within our lowest paid roles, i.e. night shift support workers, as a consequence of which we uplifted pay rates during the end of 2021 to address. This saw some improvement and assisted us in maintaining safe resourcing levels however we recognised that this is likely to be a temporary solution at a time of significant change in the world of work.

We ended the year with a clear understanding of the people related challenges and where our focus needed to be as we entered into the new financial year. Specifically, this is continuation of efforts to review our approach to work including how we are resourcing our services in the best way possible; ensuring we give the people we work with the best experience and tools to do their jobs, helping them to develop whilst valuing and supporting their efforts; and continuing our way to connect across all of our services by working as one team with one shared purpose.

# The Cyrenians Limited

## operating as Changing Lives

### Trustees' Report

#### Energy and Carbon Usage:

The Charity's work is around housing and homelessness. At the end of the financial year, the group had 1145 (2021:998) housing units. Properties vary from individual rooms to multi occupancy buildings, houses, and offices. Throughout the year, we employed an energy agency to manage our gas and electricity suppliers.

As can be seen from the table below, we own/lease few vehicles and emissions from owned transport contributes less than 6% of the Charity's carbon emissions.

UK Greenhouse gas emissions and energy use data for the year ended 31 March 2022	2022	2021
Energy consumption used to calculate emissions (kwh):		
Gas	4,968,198	5,128,271
Electricity	1,388,435	1,208,914
Transport fuel	341,834	295,376
Total	6,698,467	6,632,561
<b>Scope 1</b> emissions in metric tonnes CO2e		
Gas Consumption	905.16	939.29
Owned Transport	56.34	48.68
Total Scope 1	961.50	987.97
<b>Scope 2</b> emissions in metric tonnes CO2e		
Purchased Electricity	268.50	256.69
<b>Scope 3</b> emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	38.44	33.96
Total gross emissions in metric tonnes CO2e	1,268.43	1,278.62
Intensity ratio Tonnes CO2e per unit	1.11	1.28

#### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company reporting (as updated September 2022).

#### Intensity Measurement

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

# The Cyrenians Limited

## operating as Changing Lives

### Trustees' Report

#### Pay Policy:

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

- To recommend and monitor the level and structure of remuneration for senior management team
- Agreeing and recommending to the Board the annual staff pay award and its distribution relative to performance ratings.
- Commissioning and considering market testing information relating to pay awards of Chief Executive, Executive Directors, and Directors pay.
- Receiving reports on recruitment, turnover, sickness trends, employment conditions, staff benefits and other related issues
- Reporting annually to the main Board on the work undertaken by the Committee.

#### Financial review:

The group achieved a total surplus of £74,348 of which £297,706 surplus relates to restricted income funds.

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

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

Description	Unrestricted Funds 2021	Restricted Funds 2021	Total 2021	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022
Net Movement in Funds	(£2,058,9770	(£45,983)	(£2,104,960)	(£223,358)	£297,706	£74,348
Homes England Grant		(£557,074)	(£557,074)		(£136,471)	(£136,471)
Elliot House Impairment	£3,043,916		£3,043,916	£273,919		£273,919
Net Movement in Funds	£984,939	(£603,057)	£381,882	£50,561	£161,235	£211,796

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

#### **Investment policy:**

The Trustees, having regard to the liquidity requirements of operating the charity, have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds rates available in the current market.

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

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

#### **Reserves policy and going concern**

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. Resulting from this, the trustees consider it prudent to maintain unrestricted free reserves at a level sufficient to cover between two to four months of staff costs and lease commitments which equates to approx. £3million. At the 31 March 2022 the level of free reserves held by the charity was (£558,543), (2021 (£283,625) restated). The level of unrestricted reserves held by the charity at the year-end was £7,356,781 (2021 - £7,580,139 restated).

As part of the reserves policy the trustees have designated the following funds: Sinking fund of £640,591 (2021 - £640,591); Core Properties fund and the revaluation reserve £4,685,403 (2021 - £4,712,203). Narrative for these funds can be found in note 24 of the financial statements.

Overall funds of £13,671,561 (2021 - £13,597,213 restated) were held at 31 March 2022 which included restricted amounts of £6,471,515 (2021 - £6,017,074 restated).

#### **Risk management**

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

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

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

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Trustees' Report**

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

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

#### **Our approach to fundraising activities:**

The Charity complies with the Code of Fundraising Practice. All funds raised by the Charity will be spent for the purpose for which they are raised. All funds raised through sponsorship activities will be banked into the Charity's bank account before deduction of expenses. All literature will properly describe what donations will be used for. All fundraising activities will be conducted in an open honest and transparent manner. Changing Lives does not employ the services of outside professional fundraisers. During the period under review no complaints have been received. Changing Lives values the contribution made by all our donors. Changing Lives will treat all donors with respect and dignity. Changing Lives do not, and will not make, unsolicited calls to members of the public requesting donations.

#### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of The Cyrenians Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

# The Cyrenians Limited

## operating as Changing Lives

### Trustees' Report

#### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on ~~21-12-22~~<sup>21-12-22</sup> and signed on its behalf by:



.....  
Dean Fielding  
Chair

# **The Cyrenians Limited**

## **operating as Changing Lives**

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

#### **Opinion**

We have audited the financial statements of The Cyrenians Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **The Cyrenians Limited**

## **operating as Changing Lives**

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

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Financial Statements and the Trustees' Report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# **The Cyrenians Limited**

## **operating as Changing Lives**

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing board minutes;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- review financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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

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

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

# The Cyrenians Limited

operating as Changing Lives

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

### Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 21/12/22

Azets Audit Services is a trading name of Azets Audit Services Limited.

# The Cyrenians Limited

## operating as Changing Lives

### Consolidated Statement of Financial Activities for the Year Ended 31 March 2022

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

	Note	Unrestricted £	Restricted £	Total 2022 £	(As restated) Total 2021 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	296,840	248,736	545,576	1,007,452
Charitable activities	4	25,106,506	5,412,609	30,519,115	26,174,143
Other trading activities	5	324,812	-	324,812	146,393
Investment income	6	919	-	919	482
Total Income		<u>25,729,077</u>	<u>5,661,345</u>	<u>31,390,422</u>	<u>27,328,470</u>
<b>Expenditure on:</b>					
Raising funds		(14,455)	-	(14,455)	(7,050)
Charitable activities	7	<u>(25,643,718)</u>	<u>(5,383,982)</u>	<u>(31,027,700)</u>	<u>(26,288,432)</u>
Total Expenditure		<u>(25,658,173)</u>	<u>(5,383,982)</u>	<u>(31,042,155)</u>	<u>(26,295,482)</u>
Net income		70,904	277,363	348,267	1,032,988
Transfers between funds		(20,343)	20,343	-	-
<b>Other recognised gains and losses</b>					
Gains/losses on revaluation of fixed assets		<u>(273,919)</u>	<u>-</u>	<u>(273,919)</u>	<u>(3,043,916)</u>
Net movement in funds		(223,358)	297,706	74,348	(2,010,928)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>7,580,139</u>	<u>6,017,074</u>	<u>13,597,213</u>	<u>15,608,141</u>
Total funds carried forward	24	<u><u>7,356,781</u></u>	<u><u>6,314,780</u></u>	<u><u>13,671,561</u></u>	<u><u>13,597,213</u></u>

Included in expenditure on charitable activities above is a tax provision of £24,000 (2021: £28,593).

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

The funds breakdown for 2021 is shown in note 24.

# The Cyrenians Limited

## operating as Changing Lives

### Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	(As restated) Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	444,897	562,555	1,007,452
Charitable activities	4	23,656,930	2,517,213	26,174,143
Other trading activities	5	146,393	-	146,393
Investment income	6	482	-	482
Total income		<u>24,248,702</u>	<u>3,079,768</u>	<u>27,328,470</u>
<b>Expenditure on:</b>				
Raising funds		(7,050)	-	(7,050)
Charitable activities	7	<u>(24,040,998)</u>	<u>(2,247,434)</u>	<u>(26,288,432)</u>
Total expenditure		<u>(24,048,048)</u>	<u>(2,247,434)</u>	<u>(26,295,482)</u>
Net income		200,654	832,334	1,032,988
Transfers between funds		784,285	(784,285)	-
<b>Other recognised gains and losses</b>				
Gains/losses on revaluation of fixed assets		<u>(3,043,916)</u>	-	<u>(3,043,916)</u>
Net movement in funds		(2,058,977)	48,049	(2,010,928)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>9,639,116</u>	<u>5,969,025</u>	<u>15,608,141</u>
Total funds carried forward	24	<u><u>7,580,139</u></u>	<u><u>6,017,074</u></u>	<u><u>13,597,213</u></u>

# The Cyrenians Limited

## operating as Changing Lives

(Registration number: 00995799)

### Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	(As restated) 2021 £
<b>Fixed assets</b>			
Intangible assets	14	9,382	14,073
Tangible assets	15	15,018,266	15,186,048
Investments	16	-	10,929
		<u>15,027,648</u>	<u>15,211,050</u>
<b>Current assets</b>			
Debtors	17	3,422,903	2,970,456
Cash at bank and in hand	18	<u>3,718,142</u>	<u>3,016,801</u>
		7,141,045	5,987,257
<b>Creditors: Amounts falling due within one year</b>	19	<u>(5,952,018)</u>	<u>(4,860,952)</u>
<b>Net current assets</b>		<u>1,189,027</u>	<u>1,126,305</u>
<b>Total assets less current liabilities</b>		16,216,675	16,337,355
<b>Creditors: Amounts falling due after more than one year</b>	20	<u>(2,545,114)</u>	<u>(2,740,142)</u>
<b>Net assets</b>		<u>13,671,561</u>	<u>13,597,213</u>
<b>Funds of the group:</b>			
<b>Restricted</b>		<u>6,314,780</u>	<u>6,017,074</u>
<b>Unrestricted income funds</b>			
Designated funds		5,325,994	5,352,794
General funds		<u>2,030,787</u>	<u>2,227,345</u>
Total unrestricted funds		<u>7,356,781</u>	<u>7,580,139</u>
<b>Total funds</b>	24	<u>13,671,561</u>	<u>13,597,213</u>

The financial statements on pages 21 to 57 were approved by the Trustees, and authorised for issue on ~~21.03.22~~ and signed on their behalf by:



.....  
Dean Fielding  
Chair

# The Cyrenians Limited

## operating as Changing Lives

(Registration number: 00995799)  
Balance Sheet as at 31 March 2022

	Note	2022 £	(As restated) 2021 £
<b>Fixed assets</b>			
Intangible assets	14	9,382	14,073
Tangible assets	15	14,746,497	14,984,225
Investments	16	-	10,929
		<u>14,755,879</u>	<u>15,009,227</u>
<b>Current assets</b>			
Debtors	17	3,841,136	2,789,314
Cash at bank and in hand	18	2,722,482	2,898,221
		6,563,618	5,687,535
<b>Creditors: Amounts falling due within one year</b>	19	<u>(5,626,444)</u>	<u>(4,671,733)</u>
<b>Net current assets</b>		<u>937,174</u>	<u>1,015,802</u>
<b>Total assets less current liabilities</b>		15,693,053	16,025,029
<b>Creditors: Amounts falling due after more than one year</b>	20	<u>(7,658,193)</u>	<u>(7,968,206)</u>
<b>Net assets</b>		<u>8,034,860</u>	<u>8,056,823</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>			
		<u>632,324</u>	<u>314,354</u>
<b>Unrestricted income funds</b>			
Designated funds		5,316,666	5,343,466
Unrestricted funds		2,085,870	2,399,003
Total unrestricted funds		<u>7,402,536</u>	<u>7,742,469</u>
<b>Total funds</b>	24	<u>8,034,860</u>	<u>8,056,823</u>

The charity made a deficit after tax for the financial year of £21,963 (2021 - deficit of £2,510,052 restated).

The financial statements on pages 21 to 57 were approved by the Trustees, and authorised for issue on 23 March 2022, and signed on their behalf by:



.....  
Dean Fielding  
Chair

# The Cyrenians Limited

## operating as Changing Lives

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	(As restated) 2021 £
<b>Cash flows from operating activities</b>			
Net cash income		348,267	1,032,988
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		535,371	537,971
Amortisation		4,691	4,691
Investment income	6	(919)	(482)
Interest payable		48,387	77,863
Impairment loss on disposal of fixed assets held for the group's own use		-	8,609
		<u>935,797</u>	<u>1,661,640</u>
<b>Working capital adjustments</b>			
Decrease in stocks		-	295,150
Increase in debtors	17	(452,447)	(920,536)
Increase in creditors	19	506,390	717,337
Decrease in provisions		-	(7,298)
Increase in deferred income	20	<u>688,386</u>	<u>524,418</u>
Net cash flows from operating activities		<u>1,678,126</u>	<u>2,270,711</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	919	482
Purchase of tangible fixed assets	15	(641,508)	(3,067,144)
Sale of tangible fixed assets		-	108,281
Sale of investments		<u>10,929</u>	<u>-</u>
Net cash flows from investing activities		<u>(629,660)</u>	<u>(2,958,381)</u>
<b>Cash flows from financing activities</b>			
Interest payable and similar charges		(48,387)	(77,863)
Repayment of loans and borrowings	19	(298,738)	(1,303,878)
Repayment of capital element of finance leases and HP contracts	21	<u>-</u>	<u>(20,561)</u>
Net cash flows from financing activities		<u>(347,125)</u>	<u>(1,402,302)</u>
Net increase/(decrease) in cash and cash equivalents		701,341	(2,089,972)
Cash and cash equivalents at 1 April		<u>3,016,801</u>	<u>5,106,773</u>
Cash and cash equivalents at 31 March		<u><u>3,718,142</u></u>	<u><u>3,016,801</u></u>

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

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **1 Charity status**

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

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

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

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

##### **Basis of preparation**

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

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

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £21,963, after recognising an impairment on Elliott House totalling £273,919 (2021 - deficit of £2,510,052 restated).

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

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

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

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

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

#### **Going concern**

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

#### **Estimation uncertainty and judgements**

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

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

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

#### **Key sources of estimation uncertainty**

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

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying amount is £15,018,266 (2021 - £15,186,048).

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Income and endowments**

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

#### ***Donations and legacies***

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

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

#### ***Grants receivable***

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

#### ***Deferred income***

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

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

#### ***Gift aid***

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

#### ***Other trading activities***

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

#### ***Investment income***

Interest is included when receivable by the group.

#### ***Charitable activities***

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

# **The Cyrenians Limited**

## **operating as Changing Lives**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### ***Other income***

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

#### **Expenditure**

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

#### ***Raising funds***

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

#### ***Charitable activities***

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

#### **Support costs**

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

#### **Government grants**

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

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Taxation

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

#### Intangible assets

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

#### Amortisation

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

<b>Asset class</b>	<b>Amortisation method and rate</b>
Rebranding	10% straight line

#### Tangible fixed assets

Individual fixed assets are initially recorded at cost.

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

#### Depreciation and amortisation

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

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

No depreciation is provided on land.

#### Impairment of fixed assets

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

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### **Fixed asset investments**

Investments in subsidiaries are recognised at cost.

Investments in associates are measured at cost less impairment.

#### **Trade debtors**

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

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

#### **Cash and cash equivalents**

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

#### **Trade creditors**

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

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

#### **Borrowings**

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

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

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

#### **Fund structure**

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

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

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

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

#### Operating leases

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

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

#### Pensions and other post retirement obligations

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

#### Financial instruments

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

### 3 Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
Donations and legacies;			
Donations	291,611	112,265	403,876
Legacies	5,229	-	5,229
Grants, including capital grants;			
Government grants	-	136,471	136,471
	<u>296,840</u>	<u>248,736</u>	<u>545,576</u>
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>
Donations and legacies;			
Donations	132,501	-	132,501
Legacies	298	-	298
Grants, including capital grants;			
Government grants	7,076	557,074	564,150
Grants	<u>305,022</u>	<u>5,481</u>	<u>310,503</u>
	<u>444,897</u>	<u>562,555</u>	<u>1,007,452</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 4 Income from charitable activities

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
Homelessness including Day Centre & Outreach	17,707,550	2,038,632	19,746,182
Addictions and Recovery	2,997,513	2,005,460	5,002,973
Employment and Training	525,916	34,517	560,433
Womens Services including Family	3,875,527	1,334,000	5,209,527
	<u>25,106,506</u>	<u>5,412,609</u>	<u>30,519,115</u>

  

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>
Homelessness including Day Centre & Outreach	16,061,959	899,721	16,961,680
Addictions and Recovery	4,065,868	44,370	4,110,238
Employment and Training	865,352	10,000	875,352
Womens Services including Family	2,663,751	1,563,122	4,226,873
	<u>23,656,930</u>	<u>2,517,213</u>	<u>26,174,143</u>

#### 5 Income from other trading activities

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Trading income;		
Sales of goods and services	69,077	69,077
Events income;		
Fundraising	16,902	16,902
Property rental income	79,759	79,759
Other income from other trading activities	159,074	159,074
	<u>324,812</u>	<u>324,812</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

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

#### 6 Investment income

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Interest receivable and similar income;		
Interest receivable on bank deposits	919	919
	<u>919</u>	<u>919</u>

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

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 7 Expenditure on charitable activities

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
Homelessness including Day Centre & Outreach	18,002,700	2,346,396	20,349,096
Addictions and Recovery	2,843,058	1,696,417	4,539,475
Employment and Training	717,217	70,469	787,686
Womens Services including Family	4,080,743	1,270,700	5,351,443
	<u>25,643,718</u>	<u>5,383,982</u>	<u>31,027,700</u>

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

	<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>2022 £</b>
Homelessness including Day Centre & Outreach	19,347,400	1,001,696	20,349,096
Addictions and Recovery	4,243,581	295,894	4,539,475
Employment and Training	725,250	62,436	787,686
Womens Services including Family	5,101,698	249,745	5,351,443
	<u>29,417,929</u>	<u>1,609,771</u>	<u>31,027,700</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

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

Included in expenditure on charitable activities above is a tax provision of £24,000 (2021: £28,593).

In addition to the expenditure analysed above, there are also governance costs of £65,883 (2021 - £74,517) which relate directly to charitable activities. See note 8 for further details.

#### 8 Analysis of support costs

##### Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Other support costs £	Total 2022 £	Total 2021 £
Homelessness including Day Centre & Outreach	Estimate of staff time	65,883	935,813	1,001,696	1,072,814
Addictions and Recovery	Estimate of staff time	-	295,894	295,894	277,501
Employment and Training	Estimate of staff time	-	62,436	62,436	80,103
Womens Services including Family	Estimate of staff time	-	249,745	249,745	288,944
		<u>65,883</u>	<u>1,543,888</u>	<u>1,609,771</u>	<u>1,719,362</u>

##### Governance costs

	Total 2022 £	Total 2021 £
Salary costs	43,443	45,238
Audit fees and other professional fees	22,440	29,279
	<u>65,883</u>	<u>74,517</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 9 Net incoming/outgoing resources

Net incoming resources for the year include:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit fees	26,220	23,400
Other non-audit services	16,800	72,756
Impairment loss on disposal of fixed assets held for the group's own use	-	8,609
Depreciation of fixed assets	535,371	537,971
Amortisation of goodwill	4,691	4,691
	<u>4,691</u>	<u>4,691</u>

Included in other recognised gains and losses is the impairment on the refurbishment of Elliot House totalling £273,919 (2021 - £3,043,916).

#### 10 Trustees remuneration and expenses

Trustees were reimbursed expenses of £Nil (2021 - £Nil).

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

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

#### 11 Staff costs

The aggregate payroll costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	13,462,240	13,091,476
Social security costs	1,145,943	1,063,141
Pension costs	819,513	784,874
Compensation payments	19,132	21,858
	<u>15,446,828</u>	<u>14,961,349</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

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

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Corporate Services	78	75
Health and Addictions	109	97
Housing and Homeless	369	375
Women and Criminal Justice	92	101
Employment & Training	23	28
	<u>671</u>	<u>676</u>

During the year, the group made redundancy and/or termination payments which totalled £19,132 (2021 - £21,858).

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

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	-	3
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

The total contributions paid to the defined contribution pension scheme during the year for higher paid staff was £40,810 (2021 - £38,416).

The total employee benefits of the key management personnel of the group were £452,698 (2021 - £428,443).

#### 12 Auditors' remuneration

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>26,220</u>	<u>23,400</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 13 Taxation

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

#### 14 Intangible fixed assets

##### Group and Charity

	<b>Rebranding £</b>
<b>Cost</b>	
At 1 April 2021	46,911
At 31 March 2022	46,911
<b>Amortisation</b>	
At 1 April 2021	32,838
Charge for the year	4,691
At 31 March 2022	37,529
<b>Net book value</b>	
At 31 March 2022	9,382
At 31 March 2021	14,073

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 15 Tangible fixed assets

##### Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2021	20,864,231	1,606,760	86,437	22,557,428
Additions	<u>353,119</u>	<u>288,389</u>	-	<u>641,508</u>
At 31 March 2022	<u>21,217,350</u>	<u>1,895,149</u>	<u>86,437</u>	<u>23,198,936</u>
<b>Depreciation</b>				
At 1 April 2021	6,018,989	1,265,954	86,437	7,371,380
Impairment	273,919	-	-	273,919
Charge for the year	<u>376,086</u>	<u>159,285</u>	-	<u>535,371</u>
At 31 March 2022	<u>6,668,994</u>	<u>1,425,239</u>	<u>86,437</u>	<u>8,180,670</u>
<b>Net book value</b>				
At 31 March 2022	<u>14,548,356</u>	<u>469,910</u>	<u>-</u>	<u>15,018,266</u>
At 31 March 2021	<u>14,845,242</u>	<u>340,806</u>	<u>-</u>	<u>15,186,048</u>

Included within the net book value of land and buildings above is £14,314,589 (2021 - £14,576,262) in respect of freehold land and buildings and £233,767 (2021 - £268,980) in respect of leaseholds.

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

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

#### Impairment

##### Freehold property

Following the refurbishment of Elliot House, which has an expected completion date during the 2022 financial year, the value of the property is estimated to be £2,300,000. This has resulted in an impairment as shown in the note above. The amount of impairment loss included in the SoFA is £273,919 (2021 - £3,043,916). The impairment loss is included in land & buildings.

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2021	20,693,943	1,540,035	85,642	22,319,620
Additions	<u>353,119</u>	<u>133,820</u>	-	<u>486,939</u>
At 31 March 2022	<u>21,047,062</u>	<u>1,673,855</u>	<u>85,642</u>	<u>22,806,559</u>
<b>Depreciation</b>				
At 1 April 2021	6,005,902	1,243,851	85,642	7,335,395
Impairment	273,919	-	-	273,919
Charge for the year	<u>333,565</u>	<u>117,183</u>	-	<u>450,748</u>
At 31 March 2022	<u>6,613,386</u>	<u>1,361,034</u>	<u>85,642</u>	<u>8,060,062</u>
<b>Net book value</b>				
At 31 March 2022	<u>14,433,676</u>	<u>312,821</u>	-	<u>14,746,497</u>
At 31 March 2021	<u>14,688,041</u>	<u>296,184</u>	-	<u>14,984,225</u>

Included within the net book value of land and buildings above is £14,199,909 (2021 - £14,442,530) in respect of freehold land and buildings and £233,767 (2021 - £245,511) in respect of leaseholds.

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

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

#### Impairment

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# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 16 Fixed asset investments

##### Group

	2022 £	2021 £
Other investments	-	10,929

##### Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2022	2021	
<b>Associates</b>					
Northern Inclusion Consortium	England	Ordinary	0%	25%	Procurement services

##### Other investments

	Unlisted investments £
<b>Cost or Valuation</b>	
At 1 April 2021	30,000
Disposals	(30,000)
At 31 March 2022	-
<b>Provision for impairment</b>	
At 1 April 2021	19,071
Eliminated on disposal	(19,071)
At 31 March 2022	-
<b>Net book value</b>	
At 31 March 2022	-
At 31 March 2021	10,929

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Associates

##### Aggregate financial information of associates

	2022 £	2021 £
Total assets	-	125,271
Total liabilities	-	(81,325)
Net assets	-	43,946
Revenues	-	1,538,544
Profit or loss	-	(69,085)

#### Charity

	2022 £	2021 £
Other investments	-	10,929

#### Other investments

	Unlisted investments £	Total £
<b>Cost or Valuation</b>		
At 1 April 2021	30,000	30,000
Disposals	(30,000)	(30,000)
At 31 March 2022	-	-
<b>Provision for impairment</b>		
At 1 April 2021	19,071	19,071
Eliminated on disposal	(19,071)	(19,071)
At 31 March 2022	-	-
<b>Net book value</b>		
At 31 March 2022	-	-
At 31 March 2021	10,929	10,929

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2022	2021	
<b>Subsidiary undertakings</b>					
TCUK Homes Limited	England	Limited by Guarantee	100%	100%	Provision of social housing

#### Subsidiaries

The profit for the financial period of TCUK Homes Limited was £17,658 (2021 - (£11,622)) and the aggregate amount of capital and reserves at the end of the period was (£27,027) (2021 - (£44,685)).

#### 17 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	1,278,361	751,285	1,248,887	750,541
Due from group undertakings	-	-	995,256	624,870
Prepayments	533,930	523,354	482,919	463,925
Accrued income	589,531	1,178,202	589,531	621,128
Other debtors	1,021,081	517,615	524,543	328,850
	<u>3,422,903</u>	<u>2,970,456</u>	<u>3,841,136</u>	<u>2,789,314</u>

Group other debtors includes a bad debt provision of £636,123 (2021 - £619,108).

Charity other debtors includes a bad debt provision of £490,244 (2021 - £429,574).

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 18 Cash and cash equivalents

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash on hand	7,909	5,250	7,909	5,250
Cash at bank	1,191,604	318,580	195,944	200,000
Short-term deposits	2,518,629	2,692,971	2,518,629	2,692,971
	<u>3,718,142</u>	<u>3,016,801</u>	<u>2,722,482</u>	<u>2,898,221</u>

#### 19 Creditors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £ (As restated)	2022 £	2021 £ (As restated)
Bank loans	195,941	299,651	195,941	299,651
Trade creditors	1,328,958	765,235	1,135,295	672,592
Other taxation and social security	311,943	310,408	289,251	254,607
Other creditors	99,665	114,550	97,876	112,793
Accruals	985,933	1,029,916	878,503	990,898
Deferred income	3,029,578	2,341,192	3,029,578	2,341,192
	<u>5,952,018</u>	<u>4,860,952</u>	<u>5,626,444</u>	<u>4,671,733</u>

#### Deferred income

##### Group

	2022 £	2021 £ (As restated)
Deferred income at 1 April 2021	2,341,192	1,816,774
Resources deferred in the period	3,029,578	2,341,192
Amounts released from previous periods	(2,341,192)	(1,816,774)
Deferred income at year end	<u>3,029,578</u>	<u>2,341,192</u>

At the balance sheet date the Charity was holding funds in relation to grant and contract income where the conditions attached to the funding have not been met.

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Charity

	2022 £	2021 £(As restated)
Deferred income at 1 April 2021	2,341,192	1,750,484
Resources deferred in the period	3,029,578	2,341,192
Amounts released from previous periods	<u>(2,341,192)</u>	<u>(1,750,484)</u>
Deferred income at year end	<u>3,029,578</u>	<u>2,341,192</u>

At the balance sheet date the Charity was holding funds in relation to grant and contract income where the conditions attached to the funding have not been met.

#### 20 Creditors: amounts falling due after one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	2,545,114	2,740,142	2,545,114	2,740,142
Other creditors	<u>-</u>	<u>-</u>	<u>5,113,079</u>	<u>5,228,064</u>
	<u>2,545,114</u>	<u>2,740,142</u>	<u>7,658,193</u>	<u>7,968,206</u>

#### Bank Loans

	Repayable Date	Interest Rate	Total 2022 £	Total 2021 £
Loan 10	31 July 2024	Base rate plus 1.60%	2,741,055	2,939,793
Big issue investment		Nil	<u>-</u>	<u>100,000</u>
			<u>2,741,055</u>	<u>3,039,793</u>

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

Other creditors within the Charity's balance sheet relate to a lease premium and long term liability due to its subsidiary TCUK Homes Limited.

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 21 Obligations under leases and hire purchase contracts

##### Operating lease commitments

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Land and buildings</b>				
Within one year	2,281,494	2,063,360	1,924,726	1,698,102
Between one and five years	1,012,628	2,405,092	630,890	1,918,468
After five years	13,036	13,014	13,036	13,014
	<u>3,307,158</u>	<u>4,481,466</u>	<u>2,568,652</u>	<u>3,629,584</u>
<b>Other</b>				
Within one year	45,292	44,448	45,292	44,448
Between one and five years	7,729	41,622	7,729	41,622
	<u>53,021</u>	<u>86,070</u>	<u>53,021</u>	<u>86,070</u>

#### 22 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £819,513 (2021 - £784,874).

Contributions totalling £73,606 (2021 - £76,845) were payable to the scheme at the end of the year and are included in creditors.

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 23 Commitments

##### Group

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2021 - £274,100).

##### Charity

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2021 - £274,100).

#### 24 Funds

##### Group

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers and other recognised gains/(losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<b>General</b>					
Unrestricted funds	2,227,345	25,729,077	(25,658,173)	(267,462)	2,030,787
<b>Designated</b>					
Core properties	4,060,423	-	-	(26,800)	4,033,623
Property sinking fund	640,591	-	-	-	640,591
Revaluation reserve	651,780	-	-	-	651,780
	<u>5,352,794</u>	<u>-</u>	<u>-</u>	<u>(26,800)</u>	<u>5,325,994</u>
<b>Total unrestricted funds</b>	7,580,139	25,729,077	(25,658,173)	(294,262)	7,356,781
<b>Restricted funds</b>					
Restricted Funds	<u>6,017,074</u>	<u>5,661,345</u>	<u>(5,383,982)</u>	<u>20,343</u>	<u>6,314,780</u>
<b>Total funds</b>	<u>13,597,213</u>	<u>31,390,422</u>	<u>(31,042,155)</u>	<u>(273,919)</u>	<u>13,671,561</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfer and other recognised gains/(losses) £	Balance at 31 March 2021 £ (As restated)
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted funds	4,499,427	24,248,702	(23,903,569)	(2,617,215)	2,227,345
<i>Designated</i>					
Core properties	3,859,403	-	-	201,020	4,060,423
Property sinking fund	628,506	-	(144,479)	156,564	640,591
Revaluation reserve	651,780	-	-	-	651,780
	<u>5,139,689</u>	<u>-</u>	<u>(144,479)</u>	<u>357,584</u>	<u>5,352,794</u>
<b>Total unrestricted funds</b>	9,639,116	24,248,702	(24,048,048)	(2,259,631)	7,580,139
<b>Restricted funds</b>					
Restricted Funds	<u>5,969,025</u>	<u>3,079,768</u>	<u>(2,247,434)</u>	<u>(784,285)</u>	<u>6,017,074</u>
<b>Total funds</b>	<u>15,608,141</u>	<u>27,328,470</u>	<u>(26,295,482)</u>	<u>(3,043,916)</u>	<u>13,597,213</u>

The analysis of Restricted Funds can be found at note 29.

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Property Sinking Fund

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

#### Core Properties

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

#### Revaluation Reserve

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

#### 25 Analysis of net assets between funds

##### Group

	Unrestricted			Total funds at 31 March 2021 £
	General £	Designated £	Restricted £	
Intangible fixed assets	9,382	-	-	9,382
Tangible fixed assets	5,125,062	4,685,403	5,207,801	15,018,266
Net current assets/(liabilities)	(558,543)	640,591	1,106,979	1,189,027
Creditors over 1 year	(2,545,114)	-	-	(2,545,114)
Total net assets	<u>2,030,787</u>	<u>5,325,994</u>	<u>6,314,780</u>	<u>13,671,561</u>

	Unrestricted			Total funds at 31 March 2021 £
	General £	Designated £	Restricted £	
Intangible fixed assets	14,073	-	-	14,073
Tangible fixed assets	5,226,110	4,731,874	5,228,064	15,186,048
Fixed asset investments	10,929	-	-	10,929
Net current assets/(liabilities)	(283,625)	620,920	789,010	1,126,305
Creditors over 1 year	(2,740,142)	-	-	(2,740,142)
Total net assets	<u>2,227,345</u>	<u>5,352,794</u>	<u>6,017,074</u>	<u>13,597,213</u>

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 26 Analysis of net funds

##### Group

	<b>At 1 April 2021 £</b>	<b>Financing cash flows £</b>	<b>At 31 March 2022 £</b>
Cash at bank and in hand	3,016,801	701,341	3,718,142
Debt due within one year	(299,651)	103,710	(195,941)
Debt due after more than one year	<u>(2,740,142)</u>	<u>195,028</u>	<u>(2,545,114)</u>
Net (debt)/funds	<u>(22,992)</u>	<u>1,000,079</u>	<u>977,087</u>

  

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

# The Cyrenians Limited

## operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 27 Related party transactions

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

##### **Karbon Homes**

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

Rental and repair charges incurred to the value of £118,467 (2021 - £116,740). At the balance sheet date the amount due to Karbon Homes was £531 (2021 - £8,488).

##### **Hobson Golf Club Limited**

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

The charity received donations of £2,100 (2021 - £Nil). At the balance sheet date the amount due to/from Hobson Golf Club Limited was £Nil (2021 - £Nil).

##### **TCUK Homes Limited**

(Subsidiary )

During the year, the charity charged management charges of £414,888 (2021 - £341,001), recharged expenses of £297,924 (2021 - £1,489,126) and was recharged expenses of £115,000 ( 2021 - £176,655). At the balance sheet date the amount due from TCUK Homes Limited was £995,256 (2021 - £624,870).

#### 28 Prior year adjustment

The accounts have been restated to defer charitable activity income in line with the terms of the funding received which was originally recognised in the SoFA in the year of receipt.

##### Charity

The restatement has resulted in a decrease in income within the 2021 year of £531,297 and an increase in creditors due within one year, resulting in a decrease in net assets and reserves within the 2021 year of £531,297.

##### Group

The restatement has resulted in a decrease in income within the 2021 year of £531,297 and an increase in creditors due within one year, resulting in a decrease in net assets and reserves within the 2021 year of £531,297.

## The Cyrenians Limited

### operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 29 Restricted Funds

##### Housing and Homelessness

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
National Lottery	Peer research in partnership with Crisis	-	9,726	(7,851)		1,875
Community Foundation	Community Foundation	-	318,365	(348,734)	30,099	-
Community Foundation	Establishment of a health and wellbeing hub for young people	1,388	588,790	(648,764)	58,586	-
Big Lottery Fund	Supporting people with multiple needs in Newcastle and Gateshead	-	439,636	(414,386)		25,250
ABF – The Soldiers Charity	Support ex armed forces personnel to transition to civilian lives in Gateshead	20,000	76,396	(76,643)		19,753
Sunderland City Council	Support for rough sleepers in Sunderland	9,796	47,685	(47,346)		10,135
Virgin Money Foundation	Establishment of the Athena project in Sunderland	-	92,522	(69,005)		22,617
Sunderland City Council	Additional COVID related support for families in Sunderland	75,430	5,026	(51,066)		29,390
South Tyneside CCG	To support people with mental health needs by providing two self-contained flats for short-term, 24-hour crisis accommodation to reduce delays in hospital discharge/risk of admission or readmission to hospital	18,602	398,932	(468,342)	50,808	-

## The Cyrenians Limited

### operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 29 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
NHS Vale of York CCG	To assist hospital staff in York to prevent avoidable admissions and facilitate effective discharge	12,695	81,000	(58,492)	-	32,203
Homes England	Purchase of homes for homeless people	2,228,298	136,471	-	(78,888)	2,285,881
Homes England	Refurbishment and Redevelopment of Elliot House into 36 flats	2,999,766	-	-	(77,847)	2,921,919
<b>Total Housing and Homelessness</b>		<b>5,365,975</b>	<b>2,194,819</b>	<b>(2,191,529)</b>	<b>(17,242)</b>	<b>5,352,023</b>

#### Drug and Alcohol

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
City of York Council	Establishment of a drug recovery centre in York	500,000	1,416,004	(1,235,301)	-	680,703
City of York Council	Drug abstinence and recovery programme in York	-	129,061	(154,867)	25,806	-
North Yorkshire County Council via Humankind	Partnership work in North Yorkshire – aftercare and recovery support	25,000	479,566	(461,116)	-	43,450
<b>Total Drug and Alcohol</b>		<b>525,000</b>	<b>2,024,631</b>	<b>(1,851,284)</b>	<b>25,806</b>	<b>724,153</b>

## The Cyrenians Limited

### operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 29 Restricted Funds (continued)

##### Women and Children

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
National Lottery Community Fund	Fund Support Workers and other posts in Wolverhampton	-	65,168	(55,265)	-	9,903
The Vardy Foundation	Develop Theory of Change model to influence training and service delivery	19,787	20,787	(21,190)	-	19,384
Merseyside PCC	Supporting sex workers in Merseyside to improve their safety and report crimes against them	1,090	92,333	(88,160)	-	5,263
MHCLG via Newcastle City Council – Safe Newcastle Unit	Part funding of Outreach Workers in Newcastle	15,677	136,579	(126,122)	-	26,134
National Lottery Community Fund	Support for 120 individuals within the Northumbria Police region who have been groomed for exploitation.	5,202	132,426	(124,113)	-	13,515
Police, Fire and Crime Commissioner for North Yorkshire Community Fund	Sex work project in North Yorkshire	2,973	98,339	(89,358)	-	11,954
DCMS	Support to overcoming trauma for adult survivors of grooming and sexual exploitation	8,540	237,490	(232,543)	-	13,487
People's Postcode Trust	Support girls in Nottingham who experience period poverty	4,025	34	(8)	-	4,51

## The Cyrenians Limited

### operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 29 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
West Midlands PCC	Victim support in West Midlands	-	2,240	(1,021)	-	1,219
Halton Borough Council	Provision of Domestic Abuse refuge and community support in Halton borough	5,851	-	-	-	5,851
PCC via MSS	Domestic Abuse safe accommodation around COVID in Cheshire	6,008	-	6,242	-	12,250
Newcastle City Council – Fairer Housing Unit	Provision of Domestic Abuse Health Advisor and Service Navigator	8,020	300,180	(266,385)	-	41,815
National Lottery via North East Law Centre	Employ Senior Support Worker as partner supporting disadvantaged groups	8,485	3,945	(12,221)	-	209
Northumbria PCC – COVID Fund	As above but specifically with reference to issues arising from COVID	13,754	257,050	(244,315)	-	46,489
<b>Total Women and Children</b>		<b>99,412</b>	<b>1,346,571</b>	<b>(1,234,459)</b>	<b>-</b>	<b>211,524</b>

#### Employment

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Newcastle City Council – Newcastle Fund	Peer mentoring programme in Newcastle	-	35,785	(30,325)	-	5,460
Business in the Community	Prepare unemployed people in Newcastle for work	-	24,077	(40,144)	16,067	-
<b>Total Employment</b>		<b>-</b>	<b>59,862</b>	<b>(70,469)</b>	<b>16,067</b>	<b>5,460</b>

## The Cyrenians Limited

operating as Changing Lives

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 29 Restricted Funds (continued)

##### Criminal Justice

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
West Midlands PCC	Support for women in Walsall and Wolverhampton to prevent reoffending	-	20,983	(21,966)	983	-
Nottinghamshire PCC	Working with Notts police to provide early intervention support	21,416	14,479	(14,275)	-	21,620
<b>Total Criminal Justice</b>		<b>21,416</b>	<b>35,462</b>	<b>(36,241)</b>	<b>983</b>	<b>21,620</b>

##### General

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Community Foundation	Deliver arts based projects	2,687	-	-	(2,687)	2,687
Gateshead MBC	Provision of introductory training modules	1,234	-	-	(1,234)	1,234
Community Foundation		1,350	-	-	(1,350)	1,350
<b>Total General</b>		<b>5,271</b>	<b>-</b>	<b>-</b>	<b>(5,271)</b>	<b>-</b>

##### Grant Total

<b>6,017,074</b>	<b>5,661,345</b>	<b>(5,383,982)</b>	<b>20,343</b>	<b>6,314,780</b>
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