

Company registration number: 00995799

Charity registration number: 500640

THE CYRENIANS LIMITED

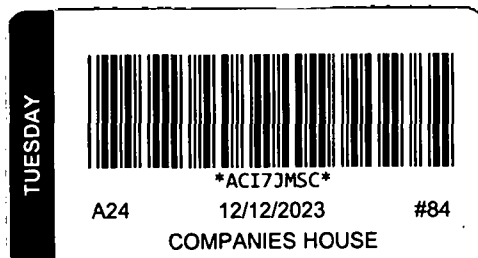
operating as

CHANGING LIVES

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023



The Cyrenians Limited
operating as Changing Lives

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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 2023 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

I joined as Chair of Changing Lives in January 2023. The organisation has a special place in my heart because many years ago, in 1979, my mother started working for YACRO (York Association for the Care and Rehabilitation of Offenders). That organisation was later taken over by Changing Lives. She was totally committed to the philosophy of helping people facing the most challenging of circumstances make positive change - for good. I was therefore both honoured and delighted to be given the opportunity to be part of that force for good as Chair of Trustees.

During the year I have visited many projects covering different geographic locations and each time I visit I am blown away by the dedication, compassion, hard work, and insight demonstrated by the staff that work for Changing Lives. This is often in very difficult circumstances.

It is easy to say that everyone deserves a safe home, a rewarding job and a life free from addiction or abuse. It is easy to say that with the right support, anyone can change their life for the better. However, it is not so easy to achieve it, especially against the backdrop of a Cost-of-Living Crisis but each member of staff or project leader I have spoken to, is totally committed to that goal. They see each person as an individual and totally care what happens to the people using their services.

2023 has been a challenging year on many levels. We have no reason to believe 2024 will be much easier, but with the outstanding people working for Changing Lives at all levels, with their passion that amazes the Board of Trustees every day, we are confident that Changing Lives is in a strong position and ready to face the challenges the next year will bring.

I would like to take this opportunity to recognise and thank all the staff and the Trustees for their hard work and commitment shown during the year, I look forward to working with you going forward.

Glynis Frew
Chair of Trustees

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Reference and Administrative Details

Trustees Glynis Frew, Chair (appointed 12 January 2023)
Stephen Guyon, Vice Chair
Lesley Telford, Treasurer
Dean Fielding
Michael Barton
Pete Brown
Catherine Hearne
Geraldine Kay

Secretary Susan Carr

Key Management Personnel Stephen Bell, Chief Executive
Neil Baird, Operations Director
Alexandra Shirley, Director of Development
David Bassam, Business Services Director
Lewis Murton, Finance Director

Registered Office H26 The Avenues Eleventh Avenue North
Team Valley Trading Estate
Gateshead
Tyne and Wear
NE11 0NJ

The charity is incorporated in England.

Company Registration Number 00995799

Charity Registration Number 500640

Solicitors Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

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

Bankers Barclays Bank plc
Newcastle City 9
49 - 51 Northumberland Street
Newcastle upon Tyne
NE1 7AF

Auditor Azets Audit Services
Chartered Accountants and Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

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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 and a registered social landlord.

Governing Document:

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

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

Appointment of trustees:

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

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

Trustee induction and training:

A new member's Induction Package includes the following:

- Governance Handbook
- Membership Form
- 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.

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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.

Equality and Diversity

Changing Lives welcomes applications for employment from all prospective employees. Changing Lives is committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills, and experience of all employees. This includes ensuring that employees are managed in an inclusive way, taking into account individual differences and giving employees the confidence to disclose a Protected Characteristic should they so wish. EG if an employee discloses that they have a disability, we will engage in a discussion with them to determine what they need to be successful in their role and seek to make reasonable adjustments to facilitate this. These could include training, specialist technology or equipment, for example. In deciding what is reasonable, the practicalities and resources available to Changing Lives should be taken into account.

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 8 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.

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Trustees' Report

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.

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".

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Trustees' Report

Four Pillars

Housing and Homelessness Service:

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

Drug and Alcohol Service:

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

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Trustees' Report

Employment Services:

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

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

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

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

Our volunteers:

Our work is supported by a committed team of over 150 volunteers who collectively contributed over 16,000 hours in 2022/23, based on minimum wage this is more than £165,000 in volunteer time. 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

Changing Lives was set up over 50 years ago to look after people without a home. Many were experiencing addiction, mental and physical health issues and had been in and out of the prison system. We are immensely proud that the ethos and the values from those early days still stand today and the drive to help and support people to improve their lives has never been stronger. We support around 15,000 people every year, we employ just over 600 staff, have over 150 volunteers and are passionate about working in partnership with other like-minded organisations.

The Cost of Living Crisis has hit the people we work with hard, and in August 2022 we published Priced Out, to highlight the impact of inflation and make recommendations on welfare, housing, employment, financial inclusion and funding for public services.

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Homelessness Services

We have worked with 2,733 people in our homelessness services., average length of stay was 169 days (just under 6 months).

At Changing Lives we believe that Homelessness is more than a housing problem and should be seen as a transitional time in a person's life. We value co-design across all that we do striving for the highest standards in our property portfolio to achieve systemic change not just a quick fix, avoiding silo thinking and silo acting.

Developments

We have gained new funding to deliver -

- Mental health support services from the Fells, Durham to focus on addressing mental health support needs, brokering between services and ensuring successful move on with the correct support in place.
- Rough Sleeping Initiative funding In Westminster to support with an engagement worker at Bruce House as part of the wider Westminster response to rough sleeping.
- Retained a number of contracts that deliver excellence services and continually reflect and review if it meets the presenting needs of individuals.

Demand on most of our services has increased as has demand on the majority of statutory services so we want to ensure we can offer in-reach where possible and work with partners to ensure health inequalities are not further increased through the pressure on services.

We are seeing people with increasing complexity of need, compounded by the cost of living crisis. We are a key supporter of Homeless Link's Keep our doors open campaign to collectively apply necessary pressure on government to bring about changes we need to see.

We want to see a clear direction from the government in response to prevention and tackling homelessness and rough sleeping, with a focus on seeing this as a public health emergency.

Our projects span a large part of the country from Northumberland down to Westminster. Each project differs in local geography and local challenges but has a shared commonality of delivering excellent services which care about the impact they have.

Our plans include ensuring our offers of support are as inclusive as they possibly can be, which includes a digital offer. Ensuring our property standards meet all the new supported accommodation regulations to ensure the best possible standards of living in all of our properties. Enhancing our young person's offer and welcoming the new Ofsted regulations for supported accommodation. We have recently joined the #planforthe129k campaign advocating for a governmental strategy to end youth homelessness. Working with other providers and partners to ensure a collaborative approach is taken to commissioning with the hope that we can influence joint commissioning across areas such as health. We will also look to develop more partnerships working across the whole system to influence change.

Womens & Children's Services

This year our Women's and Children's Services have supported 5,010 people, 101 of these referrals were male, which is linked specifically to our sex work and exploitation services and our domestic abuse NIDAS service. 63 men have been supported as victims by the NIDAS IDVA team.

We are currently supporting 4,044 people across our Womens Services nationally.

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The highest age range of women supported is 25-34 years old at 32% and we have seen an increase in the ethnicity of our referrals or improved recording. 501 women identified as either black, mixed race or from a minority background. 30 women this year are from travelling communities.

The highest reason for women leaving our services is when women have declined support at 27% followed by 18% when women required a dedicated housing support offer from an external agency.

We look forward to co-producing the new Case Management System this year to help improve our data collection and impact outcomes for women, and to specifically report on access to justice levels, recovery from violence and abuse, and reducing re-offending.

Developments

Net-Reach - Our Netreach team is based across our exploitation and sex work projects nationally. Together we have a presence in each area on online forums, platforms and communities, supporting people affected by online harms, abuse and sexual exploitation. With our findings we hope to inform the current and future work of government and its partners to support people, inform education and ensure our practice influences VAWG and Online Harms policies for future change.

STAGE - We continue to work in partnership with women's organisations across the North to deliver the STAGE partnership supporting adult victims of sexual exploitation and raising awareness, through a series of reports and webinars of the impact of exploitation on adults who often do not have access to appropriate services.

Over the coming year our plans include rolling out our story chair unique learning programme nationally following successful delivery in local region. Our other areas of focus will be; Transforming Services for Women's futures, Adult Sexual exploitation statutory definition and Men & Relationships.

Recovery & Wellbeing

On average we are working with over 1,300 people in our recovery and wellbeing services every month.

We have seen 81 people successfully complete our abstinence based Oaktrees programme over the last twelve months.

We have recently changed the name of our Recovery and Addictions theme to 'Recovery and Wellbeing' to include our Mental Health services and recognise the importance of wider health and wellbeing for the people we work with.

We have developed new roles in our services to better support people involved in the Criminal Justice System and experiencing addiction. Through additional funding from the Office for Health Improvement and Disparities, we can now work intensively with people on court orders including Alcohol Treatment Requirements (ATR's) and Drug Rehabilitation Requirements (DRR's) to support them into treatment, this includes counsellors and in-reach into police stations to engage people who are testing positive for drug use on arrest.

We have launched Digital Oaktrees - an online recovery programme for people who can't attend in-person services during the day. It provides on-line resources and one to one support.

The Recovery field has seen a recent injection of funding into services Nationwide following a review of services by Dame Carol Black. This funding has seen new priorities and targets be introduced to Recovery services and there is a goal to increase the number of places available in treatment services nationally, with a view that services offered should be 'world class services'.

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There is a call to acknowledge that with competing priorities, increasing numbers into treatment does not necessarily come hand in hand with an increase in quality. Our Recovery and Wellbeing services have been impacted by the national recruitment crisis as well as the cost of living crisis in recent times and this has had a significant impact on the ability to recruit and retain staff to deliver these services. We would like to see the pending changes in the NDTMS dataset (National Drug Treatment Monitoring System) reflect these competing priorities and acknowledge that success for people in recovery can come in many different formats, many of which sit outside the current remit of a successful completion. There needs to be a focus on quality services, which allow for a more intensive approach of support rather than a qualitative focus on numbers coming into treatment. With a more intensive and high-quality approach we will inevitably see more people completing treatment by reaching their own perceived goals and successes and this will inevitably pave way for more people to access.

As a pillar the focus moving forward is to further enhance our digital offer. We will look to develop new partnerships and explore new opportunities for growth whilst continuing to review our models of treatment to ensure we are delivering trauma informed and consistent services across the pillar.

Employment Services

Our Employment services began to see the impact of European funding ending with no significant replacement, with Step Forward Tees Valley and Moving on Tyne & Wear, which we delivered as part of a wider partnership, ending delivery. 2023/24 will see our other European Funding employment programmes end. Some local authorities and mayoral authorities have been able to fund smaller pieces of work, including the Multiply programmes in Gateshead and North of Tyne, which deliver support to increase numeracy skills for people using practical activities to embed learning.

Although unemployment levels are low, for people who have experienced homelessness, addiction or other challenging circumstances, it is still difficult to move into employment. Barriers include stigma, navigating the benefits system, confidence and lack of support with the soft skills needed to retain employment.

Funding to support employment for people furthest from the labour market is vital, the barriers still exist for the people we support.

We are excited to begin delivery of IPS services in Doncaster - intensive employment support delivered by employment specialists and provided as part of the multi-disciplinary drug and alcohol service delivered by our partner Aspire.

Future Plans

The external environment continues to be challenging. Brexit, the pandemic and more recently the cost-of-living crisis has made the operating environment in which we provide services incredibly challenging. This is not only from a delivery point, but also staff retention and incredibly tight financial margins in which we operate. All funders expect more for less and all costs have risen. Our turnover of staff over the past three years is at an all-time high and it is understandable considering their challenging roles and the low pay they receive, along with their own increased expenses.

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Minimum wage has risen nearly 20% in the last three years, and this has put incredible pressure on us a charity because we always pay above the minimum wage. However, the difference between our lowest pay and the minimum wage, has reduced by over £2K per annum and in 2023/24 we only gave a pay rise to those who earned the least within the charity. We are committed to being fair to all staff moving forward.

Since the financial year end, we have completed on a planned sale of some of our existing portfolio enabling us to pay off our bank loans and move away from high mortgage rates. Our balance sheet remains strong and moving forward we now have more flexibility due to the removal of existing covenants attached to the borrowings.

We will restructure our teams looking at all levels within the organisation to ensure that we are nimble and financially robust enough to cope with the challenges that lie ahead. We have had 13 years of austerity and some of our contracts have not seen a financial increase during this period, we have delivered 'more for less' but we can't do this anymore. We must be more business focused to ensure that the charity is here for the people it was set up for, those using our services.

In early 2024 we will be delivering a new targeted two-year strategy, a new business plan to cope with the external pressures and will look to see how Artificial Intelligence (AI) can help support the people we work with. Although the environment is difficult, the steps the charity has taken and continues to take, there is no doubt that services such as ours will be in growing demand in the next few years and we are confident that the quality work provided within our front line will continue for many years to come.

Our Workforce - Employee Engagement:

In the dynamic landscape of our organisation, we have taken bold strides to engage with our employees on a profound level. Beyond the innovative channels mentioned earlier, we've instituted a monthly opportunity for every employee to pose questions directly to our CEO. These queries are met with video responses, ensuring that every message is not only heard but responded to with a commitment to improvement.

In our relentless pursuit of employee well-being, we regularly assess the fitness of our staff benefit forums and place a paramount focus on well-being in every facet of our operations. Recognising the importance of accessible healthcare, we have reviewed EAP offerings and provided all staff with access to a virtual GP, emphasising the significance of health in our collective journey.

Acknowledging the challenges posed by the cost of living, we are actively seeking input from our staff through platforms like the staff forum to understand where 'charitable efforts can begin at home'. This inclusive approach ensures that the concerns of each employee are considered, fostering a sense of community and shared responsibility.

Our dedication to development and career pathways remains unwavering. We continually review volunteering programs, placing development and training at the core of our initiatives. Internal moves and development opportunities are actively explored, shaping a multi-skilled, engaged workforce that thrives on growth and adaptability.

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At the heart of our organisational philosophy is the unwavering commitment to transforming lives and reshaping the future of work. Through cutting-edge initiatives in data-driven innovation and automation, we are not just redefining how we work; we are unlocking new possibilities and efficiencies. This commitment extends seamlessly to our approach to employee engagement, where modern methods enable us to work differently, adapting to the ever-evolving landscape.

Central to our ethos is the integration of compassion into every facet of our operations. We don't just hear; we strive to truly understand the unique perspectives and needs of everyone. Together, we're creating a workplace that not only meets the challenges of today but shapes a future where every employee thrives.

Energy and Carbon Usage:

The Charity's work is around housing and homelessness. At the end of the financial year, the group had 1108 (2022:1145) 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 5% of the Charity's carbon emissions.

UK Greenhouse gas emissions and energy use data for the year ended 31 March 2023	2023	2022
Energy consumption used to calculate emissions (kwh):		
Gas	5,800,857	4,968,198
Electricity	1,320,903	1,388,435
Transport fuel	450,861	341,834
Total	7,572,621	6,698,467
Scope 1 emissions in metric tonnes CO2e		
Gas Consumption	1,056.86	905.16
Owned Transport	47.71	56.34
Total Scope 1	1,104.57	961.50
Scope 2 emissions in metric tonnes CO2e		
Purchased Electricity	255.44	268.50
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	88.62	38.44
Total gross emissions in metric tonnes CO2e	1,448.62	1,268.43
Intensity ratio Tonnes CO2e per unit	1.27	1.11

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).

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Intensity Measurement

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

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 £33,295, the unrestricted income net movement in funds was £142,226.

The result is considered positive given the challenges faced with many contracts being pressured by costs rising with inflation. The organisation has performed strategic reviews on all its services to ensure they remain viable moving forward.

During the year we transitioned away from our existing accounting software and housing management database. The implementation has given an improved visibility to staff across the organisation of financial performance, this will continue to be a focus over the next year with improved internal reporting enabling improved financial understanding in a challenging external financial environment.

As part of the strategy noted above the commercial viability of contracts continues to be monitored closely with the Senior Management team taking appropriate action to protect the long-term future of the organisation.

Investment policy:

The trustees, having regard to the liquidity requirements of operating the charity, have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index.

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During the year, trustees took the opportunity to repay certain bank loans to reduce the interest cost to the charity. As at September 2023 the charity had no outstanding loan facility and is now able to focus on maximising returns from its reserves as part of its long term strategy.

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 2023 the level of free reserves held by the charity was £650,872 (2022 (£558,543)). The level of unrestricted reserves held by the charity at the year-end was £7,499,007 (2022 - £7,356,781).

As part of the reserves policy the trustees have designated the following funds: Sinking fund of £640,591 (2022 - £640,591); Core Properties fund and the revaluation reserve £4,126,468 (2022 - £4,605,583). Narrative for these funds can be found in note 24 of the financial statements.

Overall funds of £13,704,856 (2022 - £13,671,561) were held at 31 March 2023 which included restricted amounts of £6,205,849 (2022 - £6,314,780).

Risk management

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

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

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

The charity has significantly reduced its financial risk through repayment of the loan previously held with Barclays. The risk committee does however continue to recognise the external financial environment as a high-level risk. The funding landscape continues to be uncertain and so although the charity has a significant proportion of income being generated through housing benefit which does have inflationary uplifts annually we recognise the long-term risk to contract income. Stakeholder engagement continues to be a priority with discussions continuing across funders to deliver uplifts where possible.

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Trustees' Report

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

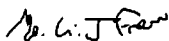
Disclosure of information to auditor

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

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 08/12/2023... and signed on its behalf by:



.....
Glynis Frew 08 Dec 2023 13:34:14 GMT (UTC +0)

Glynis Frew
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 2023, 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 2023 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. 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 08 Dec 2023 13:58:10 GMT (UTC +0)

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: 08/12/2023

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 2023

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

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	289,696	1,651	291,347	545,576
Charitable activities	4	28,240,884	4,734,194	32,975,078	30,519,115
Other trading activities	5	153,690	-	153,690	324,812
Investment income	6	26,141	-	26,141	919
Total Income		28,710,411	4,735,845	33,446,256	31,390,422
Expenditure on:					
Raising funds		(6,553)	-	(6,553)	(14,455)
Charitable activities	7	(28,716,758)	(4,689,650)	(33,406,408)	(31,027,700)
Total Expenditure		(28,723,311)	(4,689,650)	(33,412,961)	(31,042,155)
Net (expenditure)/income		(12,900)	46,195	33,295	348,267
Transfers between funds		155,126	(155,126)	-	-
Other recognised gains and losses					
Gains/losses on revaluation of fixed assets		-	-	-	(273,919)
Net movement in funds		142,226	(108,931)	33,295	74,348
Reconciliation of funds					
Total funds brought forward		7,356,781	6,314,780	13,671,561	13,597,213
Total funds carried forward	24	7,499,007	6,205,849	13,704,856	13,671,561

Included in expenditure on charitable activities above is a tax provision of £Nil (2022: £24,000).

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

The funds breakdown for 2022 is shown in note 24.

The Cyrenians Limited

operating as Changing Lives

Comparative 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 £
Income and Endowments from:				
Donations and legacies	3	296,840	248,736	545,576
Charitable activities	4	25,106,506	5,412,609	30,519,115
Other trading activities	5	324,812	-	324,812
Investment income	6	919	-	919
Total income		<u>25,729,077</u>	<u>5,661,345</u>	<u>31,390,422</u>
Expenditure on:				
Raising funds		(14,455)	-	(14,455)
Charitable activities	7	<u>(25,643,718)</u>	<u>(5,383,982)</u>	<u>(31,027,700)</u>
Total expenditure		<u>(25,658,173)</u>	<u>(5,383,982)</u>	<u>(31,042,155)</u>
Net income		70,904	277,363	348,267
Transfers between funds		(20,343)	20,343	-
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		<u>(273,919)</u>	<u>-</u>	<u>(273,919)</u>
Net movement in funds		(223,358)	297,706	74,348
Reconciliation of funds				
Total funds brought forward		<u>7,580,139</u>	<u>6,017,074</u>	<u>13,597,213</u>
Total funds carried forward	24	<u>7,356,781</u>	<u>6,314,780</u>	<u>13,671,561</u>

The Cyrenians Limited

operating as Changing Lives

(Registration number: 00995799)

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	4,691	9,382
Tangible assets	15	10,316,730	15,018,266
		<u>10,321,421</u>	<u>15,027,648</u>
Current assets			
Assets held for sale	17	3,310,307	-
Debtors	18	4,851,620	3,422,903
Cash at bank and in hand	19	2,102,121	3,718,142
		<u>10,264,048</u>	<u>7,141,045</u>
Creditors: Amounts falling due within one year	20	<u>(6,880,613)</u>	<u>(5,952,018)</u>
Net current assets		<u>3,383,435</u>	<u>1,189,027</u>
Total assets less current liabilities		13,704,856	16,216,675
Creditors: Amounts falling due after more than one year	21	<u>-</u>	<u>(2,545,114)</u>
Net assets		<u>13,704,856</u>	<u>13,671,561</u>
Funds of the group:			
Restricted		<u>6,205,849</u>	<u>6,314,780</u>
Unrestricted income funds			
Designated funds		4,767,059	5,325,994
General funds		<u>2,731,948</u>	<u>2,030,787</u>
Total unrestricted funds		<u>7,499,007</u>	<u>7,356,781</u>
Total funds	24	<u>13,704,856</u>	<u>13,671,561</u>

The financial statements on pages 21 to 54 were approved by the Trustees, and authorised for issue on 08/12/2023..... and signed on their behalf by:



Glynis Frew 08 Dec 2023 13:34:14 GMT (UTC +0)

Glynis Frew
Chair

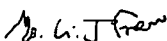
The Cyrenians Limited
operating as Changing Lives

(Registration number: 00995799)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	4,691	9,382
Tangible assets	15	10,069,912	14,746,497
		<u>10,074,603</u>	<u>14,755,879</u>
Current assets			
Assets held for sale	17	3,310,307	-
Debtors	18	4,407,497	3,841,136
Cash at bank and in hand	19	1,760,056	2,722,482
		9,477,860	6,563,618
Creditors: Amounts falling due within one year	20	<u>(6,654,683)</u>	<u>(5,626,444)</u>
Net current assets		<u>2,823,177</u>	<u>937,174</u>
Total assets less current liabilities		12,897,780	15,693,053
Creditors: Amounts falling due after more than one year	21	<u>(4,938,176)</u>	<u>(7,658,193)</u>
Net assets		<u>7,959,604</u>	<u>8,034,860</u>
Funds of the charity:			
Restricted		<u>636,572</u>	<u>632,324</u>
Unrestricted income funds			
Designated funds		4,767,059	5,316,666
Unrestricted funds		2,555,973	2,085,870
Total unrestricted funds		<u>7,323,032</u>	<u>7,402,536</u>
Total funds	24	<u>7,959,604</u>	<u>8,034,860</u>

The charity made a deficit after tax for the financial year of £75,256 (2022 - deficit of £21,963).

The financial statements on pages 21 to 54 were approved by the Trustees, and authorised for issue on 08/12/2023..... and signed on their behalf by:



Glynis Frew 08 Dec 2023 13:34:14 GMT (UTC +0)

.....
Glynis Frew
Chair

The Cyrenians Limited
operating as Changing Lives

**Consolidated Statement of Cash Flows for the Year Ended 31
 March 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		33,295	348,267
Adjustments to cash flows from non-cash items			
Depreciation		722,866	535,371
Amortisation		4,691	4,691
Investment income	6	(26,141)	(919)
Interest payable		80,683	48,387
		<u>815,394</u>	<u>935,797</u>
Working capital adjustments			
Increase in debtors	18	(1,428,717)	(452,447)
Increase in creditors	20	238,709	506,390
(Decrease)/increase in deferred income	21	(841,230)	688,386
Net cash flows from operating activities		<u>(1,215,844)</u>	<u>1,678,126</u>
Cash flows from investing activities			
Interest receivable and similar income	6	26,141	919
Purchase of tangible fixed assets	15	(119,106)	(641,508)
Sale of tangible fixed assets		787,469	-
Sale of investments		-	10,929
Net cash flows from investing activities		<u>694,504</u>	<u>(629,660)</u>
Cash flows from financing activities			
Interest payable and similar charges		(80,683)	(48,387)
Repayment of loans and borrowings	20	(1,013,998)	(298,738)
Net cash flows from financing activities		<u>(1,094,681)</u>	<u>(347,125)</u>
Net (decrease)/increase in cash and cash equivalents		(1,616,021)	701,341
Cash and cash equivalents at 1 April		<u>3,718,142</u>	<u>3,016,801</u>
Cash and cash equivalents at 31 March		<u><u>2,102,121</u></u>	<u><u>3,718,142</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 2023

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: H26 The Avenues Eleventh Avenue North, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0NJ.

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 undertaking drawn up to 31 March 2023.

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 £75,256, (2022 - deficit of £21,963).

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2023

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 the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiary is 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 £10,316,730 (2022 - £15,018,266).

The Cyrenians Limited

operating as Changing Lives

Notes to the Financial Statements for the Year Ended 31 March 2023

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 2023

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 2023

Taxation

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

Intangible assets

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

Amortisation

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

Asset class	Amortisation method and rate
Rebranding	10% straight line

Tangible fixed assets

Individual fixed assets are initially recorded at cost.

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

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Leasehold property improvements	Straight line over the period of the lease
Freehold property	2% - 15% straight line
Motor vehicles	25% straight line
Furniture and equipment	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.

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Notes to the Financial Statements for the Year Ended 31 March 2023

Fixed asset investments

Investments in subsidiaries are recognised at cost.

Investments in associates are measured at cost less impairment.

Assets held for sale

Assets actively held for sale at the year end, measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell.

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.

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Notes to the Financial Statements for the Year Ended 31 March 2023

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

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

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

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Donations	289,696	1,651	291,347
	<u>289,696</u>	<u>1,651</u>	<u>291,347</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
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>

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Notes to the Financial Statements for the Year Ended 31 March 2023

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Homelessness including Day Centre & Outreach	20,248,414	947,095	21,195,509
Addictions and Recovery	2,862,843	1,897,982	4,760,825
Employment and Training	651,573	29,132	680,705
Womens Services including Family	4,478,054	1,859,985	6,338,039
	<u>28,240,884</u>	<u>4,734,194</u>	<u>32,975,078</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
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>

5 Income from other trading activities

	Unrestricted funds General £	Total 2023 £
Trading income;		
Sales of goods and services	54,714	54,714
Other income from other trading activities	98,976	98,976
	<u>153,690</u>	<u>153,690</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds General £	Total 2022 £
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>

6 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	26,141	26,141
	<u>26,141</u>	<u>26,141</u>

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

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Notes to the Financial Statements for the Year Ended 31 March 2023

7 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Homelessness including Day Centre & Outreach	20,576,065	919,264	21,495,329
Addictions and Recovery	2,877,037	1,903,449	4,780,486
Employment and Training	854,036	26,656	880,692
Womens Services including Family	4,409,620	1,840,281	6,249,901
	<u>28,716,758</u>	<u>4,689,650</u>	<u>33,406,408</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
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>
	Activity undertaken directly £	Activity support costs £	2023 £
Homelessness including Day Centre & Outreach	20,667,282	828,047	21,495,329
Addictions and Recovery	4,473,356	307,130	4,780,486
Employment and Training	799,393	81,299	880,692
Womens Services including Family	5,918,682	331,219	6,249,901
	<u>31,858,713</u>	<u>1,547,695</u>	<u>33,406,408</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

	Activity undertaken directly £	Activity support costs £	2022 £
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>

Included in expenditure on charitable activities above is a tax provision of £Nil (2022: £24,000).

In addition to the expenditure analysed above, there are also governance costs of £102,228 (2022 - £65,883) 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 2023 £	Total 2022 £
Homelessness including Day Centre & Outreach	Estimate of staff time	102,228	725,819	828,047	1,001,696
Addictions and Recovery	Estimate of staff time	-	307,130	307,130	295,894
Employment and Training	Estimate of staff time	-	81,299	81,299	62,436
Womens Services including Family	Estimate of staff time	-	331,219	331,219	249,745
		<u>102,228</u>	<u>1,445,467</u>	<u>1,547,695</u>	<u>1,609,771</u>

Governance costs

	Total 2023 £	Total 2022 £
Salary costs	45,885	43,443
Audit fees and other professional fees	56,343	22,440
	<u>102,228</u>	<u>65,883</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2023 £	2022 £
Audit fees	31,500	26,220
Other non-audit services	-	16,800
Depreciation of fixed assets	722,866	535,371
Amortisation of goodwill	<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 £Nil (2022 - £273,919).

10 Trustees remuneration and expenses

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

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

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	14,340,771	13,462,240
Social security costs	1,279,938	1,145,943
Pension costs	855,766	819,513
Compensation payments	<u>95,172</u>	<u>19,132</u>
	<u>16,571,647</u>	<u>15,446,828</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

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

	2023 No	2022 No
Corporate Services	85	78
Health and Addictions	102	109
Housing and Homeless	322	369
Women and Criminal Justice	110	92
Employment & Training	27	23
	<u>646</u>	<u>671</u>

During the year, the group made redundancy and/or termination payments which totalled £95,172 (2022 - £19,132).

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

	2023 No	2022 No
£60,001 - £70,000	1	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	<u>1</u>	<u>-</u>

The total contributions paid to the defined contribution pension scheme during the year for higher paid staff was £38,043 (2022 - £31,970).

The total employee benefits of the key management personnel of the group were £377,355 (2022 - £452,698).

12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>31,500</u>	<u>26,220</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

13 Taxation

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

14 Intangible fixed assets

Group and Charity

	Rebranding £
Cost	
At 1 April 2022	<u>46,911</u>
At 31 March 2023	<u>46,911</u>
Amortisation	
At 1 April 2022	37,529
Charge for the year	<u>4,691</u>
At 31 March 2023	<u>42,220</u>
Net book value	
At 31 March 2023	<u><u>4,691</u></u>
At 31 March 2022	<u><u>9,382</u></u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

15 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	21,217,350	1,895,149	86,437	23,198,936
Additions	-	97,501	21,605	119,106
Disposals	(982,515)	-	-	(982,515)
Transfers	(4,130,137)	-	-	(4,130,137)
At 31 March 2023	<u>16,104,698</u>	<u>1,992,650</u>	<u>108,042</u>	<u>18,205,390</u>
Depreciation				
At 1 April 2022	6,668,994	1,425,239	86,437	8,180,670
Charge for the year	514,201	204,614	4,051	722,866
Eliminated on disposals	(195,046)	-	-	(195,046)
Transfers	(819,830)	-	-	(819,830)
At 31 March 2023	<u>6,168,319</u>	<u>1,629,853</u>	<u>90,488</u>	<u>7,888,660</u>
Net book value				
At 31 March 2023	<u>9,936,379</u>	<u>362,797</u>	<u>17,554</u>	<u>10,316,730</u>
At 31 March 2022	<u>14,548,356</u>	<u>469,910</u>	<u>-</u>	<u>15,018,266</u>

Included within the net book value of land and buildings above is £9,725,493 (2022 - £14,314,589) in respect of freehold land and buildings and £210,886 (2022 - £233,767) 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 had a completion date during the 2022 financial year, the maximum was £2,300,000. This resulted in an impairment as shown in the note above. The amount of impairment loss included in the SoFA is £Nil (2022 - £273,919). The impairment loss is included in land & buildings.

During the year, properties included within land & buildings, with a net book value of £3,310,307 have been transferred from non-current assets to assets held for sale in note 17.

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Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	21,047,062	1,673,855	85,642	22,806,559
Additions	-	89,541	21,605	111,146
Disposals	(982,515)	-	-	(982,515)
Transfers	(4,130,137)	-	-	(4,130,137)
At 31 March 2023	<u>15,934,410</u>	<u>1,763,396</u>	<u>107,247</u>	<u>17,805,053</u>
Depreciation				
At 1 April 2022	6,613,386	1,361,034	85,642	8,060,062
Charge for the year	549,799	136,105	4,051	689,955
Eliminated on disposals	(195,046)	-	-	(195,046)
Transfers	(819,830)	-	-	(819,830)
At 31 March 2023	<u>6,148,309</u>	<u>1,497,139</u>	<u>89,693</u>	<u>7,735,141</u>
Net book value				
At 31 March 2023	<u>9,786,101</u>	<u>266,257</u>	<u>17,554</u>	<u>10,069,912</u>
At 31 March 2022	<u>14,433,676</u>	<u>312,821</u>	<u>-</u>	<u>14,746,497</u>

Included within the net book value of land and buildings above is £9,575,215 (2022 - £14,199,909) in respect of freehold land and buildings and £210,886 (2022 - £233,767) 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 had a completion date during the 2022 financial year, the maximum was £2,300,000. This resulted in an impairment as shown in the note above. The amount of impairment loss included in the SoFA is £Nil (2022 - £273,919). The impairment loss is included in land & buildings.

During the year, properties included within land & buildings, with a net book value of £3,310,307 have been transferred from non-current assets to assets held for sale in note 17.

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Notes to the Financial Statements for the Year Ended 31 March 2023

16 Fixed asset investments

Charity

	2023 £	2022 £
Investment in subsidiary	<u>-</u>	<u>-</u>

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
			2023	2022	
Subsidiary undertakings					
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 £43,991 (2022 - £17,658) and the aggregate amount of capital and reserves at the end of the period was £16,964 (2022 - (£27,027)).

17 Assets held for sale

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Properties held for sale	<u>3,310,307</u>	<u>-</u>	<u>3,310,307</u>	<u>-</u>

The assets held for sale above, are properties actively listed at the year end which have all been sold post year end.

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Notes to the Financial Statements for the Year Ended 31 March 2023

18 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	1,975,190	1,278,361	1,815,444	1,248,887
Due from group undertakings	-	-	389,962	995,256
Prepayments	723,327	533,930	639,876	482,919
Accrued income	706,920	589,531	706,920	589,531
Other debtors	1,446,183	1,021,081	855,295	524,543
	<u>4,851,620</u>	<u>3,422,903</u>	<u>4,407,497</u>	<u>3,841,136</u>

Group other debtors includes a bad debt provision of £633,918 (2022 - £636,123).

Charity other debtors includes a bad debt provision of £542,990 (2022 - £490,244).

19 Cash and cash equivalents

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash on hand	6,179	7,909	6,179	7,909
Cash at bank	542,280	1,191,604	200,215	195,944
Short-term deposits	1,553,662	2,518,629	1,553,662	2,518,629
	<u>2,102,121</u>	<u>3,718,142</u>	<u>1,760,056</u>	<u>2,722,482</u>

20 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loans	1,727,057	195,941	1,727,057	195,941
Trade creditors	1,050,997	1,328,958	971,715	1,135,295
Other taxation and social security	300,589	311,943	277,897	289,251
Other creditors	166,823	99,665	160,564	97,876
Accruals	1,446,799	985,933	1,265,102	878,503
Deferred income	2,188,348	3,029,578	2,252,348	3,029,578
	<u>6,880,613</u>	<u>5,952,018</u>	<u>6,654,683</u>	<u>5,626,444</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

Deferred income

Group

	2023 £	2022 £
Deferred income at 1 April 2022	3,029,578	2,341,192
Resources deferred in the period	2,188,348	3,029,578
Amounts released from previous periods	<u>(3,029,578)</u>	<u>(2,341,192)</u>
Deferred income at year end	<u>2,188,348</u>	<u>3,029,578</u>

Charity

	2023 £	2022 £
Deferred income at 1 April 2022	3,029,578	2,341,192
Resources deferred in the period	2,252,348	3,029,578
Amounts released from previous periods	<u>(3,029,578)</u>	<u>(2,341,192)</u>
Deferred income at year end	<u>2,252,348</u>	<u>3,029,578</u>

21 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loans	-	2,545,114	-	2,545,114
Other creditors	<u>-</u>	<u>-</u>	<u>4,938,176</u>	<u>5,113,079</u>
	<u>-</u>	<u>2,545,114</u>	<u>4,938,176</u>	<u>7,658,193</u>

Bank Loans

	Repayable Date	Interest Rate	Total 2023 £	Total 2022 £
Loan 10	31 July 2024	Base rate plus 1.60%	<u>1,727,057</u>	<u>2,741,055</u>
			<u>1,727,057</u>	<u>2,741,055</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, 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.

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Notes to the Financial Statements for the Year Ended 31 March 2023

22 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Land and buildings				
Within one year	1,151,884	2,341,759	835,960	1,972,187
Between one and five years	207,935	1,012,628	9,650	630,890
After five years	-	13,036	-	13,036
	<u>1,359,819</u>	<u>3,367,423</u>	<u>845,610</u>	<u>2,616,113</u>
Other				
Within one year	18,260	45,292	18,260	45,292
Between one and five years	25,052	7,729	25,052	7,729
	<u>43,312</u>	<u>53,021</u>	<u>43,312</u>	<u>53,021</u>

23 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 £855,766 (2022 - £819,513).

Contributions totalling £74,970 (2022 - £73,606) were payable to the scheme at the end of the year and are included in creditors.

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Notes to the Financial Statements for the Year Ended 31 March 2023

24 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	2,030,787	28,710,411	(28,723,311)	714,061	2,731,948
<i>Designated</i>					
Core properties	4,033,623	-	-	(558,935)	3,474,688
Property sinking fund	640,591	-	-	-	640,591
Revaluation reserve	651,780	-	-	-	651,780
	<u>5,325,994</u>	<u>-</u>	<u>-</u>	<u>(558,935)</u>	<u>4,767,059</u>
Total unrestricted funds	7,356,781	28,710,411	(28,723,311)	155,126	7,499,007
Restricted funds					
Restricted Funds	<u>6,314,780</u>	<u>4,735,845</u>	<u>(4,689,650)</u>	<u>(155,126)</u>	<u>6,205,849</u>
Total funds	<u>13,671,561</u>	<u>33,446,256</u>	<u>(33,412,961)</u>	<u>-</u>	<u>13,704,856</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	2,227,345	25,729,077	(25,658,173)	(267,462)	2,030,787
<i>Designated</i>					
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>
Total unrestricted funds	7,580,139	25,729,077	(25,658,173)	(294,262)	7,356,781
Restricted funds					
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>
Total funds	<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 analysis of Restricted Funds can be found at note 29.

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.

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Notes to the Financial Statements for the Year Ended 31 March 2023

25 Analysis of net assets between funds

Group

	Unrestricted			Total funds at 31 March 2023 £
	General £	Designated £	Restricted £	
Intangible fixed assets	4,691	-	-	4,691
Tangible fixed assets	2,076,385	3,145,724	5,094,621	10,316,730
Net current assets/(liabilities)	<u>650,872</u>	<u>1,621,335</u>	<u>1,111,228</u>	<u>3,383,435</u>
Total net assets	<u>2,731,948</u>	<u>4,767,059</u>	<u>6,205,849</u>	<u>13,704,856</u>

	Unrestricted			Total funds at 31 March 2022 £
	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	<u>(2,545,114)</u>	<u>-</u>	<u>-</u>	<u>(2,545,114)</u>
Total net assets	<u>2,030,787</u>	<u>5,325,994</u>	<u>6,314,780</u>	<u>13,671,561</u>

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Notes to the Financial Statements for the Year Ended 31 March 2023

26 Analysis of net funds

Group

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	3,718,142	(1,616,021)	2,102,121
Debt due within one year	(195,941)	(1,531,116)	(1,727,057)
Debt due after more than one year	<u>(2,545,114)</u>	<u>2,545,114</u>	<u>-</u>
Net (debt)/funds	<u>977,087</u>	<u>(602,023)</u>	<u>375,064</u>
	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
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>

27 Related party transactions

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

TCUK Homes Limited
(Subsidiary)

During the year, the charity charged management charges of £436,481 (2022 - £414,888), recharged expenses of £151,956 (2022 - £297,924) and was recharged expenses of £Nil (2022 - £115,000). At the balance sheet date the amount due from TCUK Homes Limited was £389,962 (2022 - £995,256).

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 £186,247 (2022 - £118,467). At the balance sheet date the amount due to Karbon Homes was £3,911 (2022 - £531).

Hobson Golf Club Limited

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

The charity received donations of £Nil (2022 - £2,100). At the balance sheet date the amount due to/from Hobson Golf Club Limited was £Nil (2022 - £Nil).

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Notes to the Financial Statements for the Year Ended 31 March 2023

29 Restricted Funds

Housing and Homelessness

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
National Lottery	Peer research in partnership with Crisis	1,875	-	-	-	1,875
Big Lottery Fund	Supporting people with multiple needs in Newcastle and Gateshead	25,250	140,607	(144,207)	-	21,650
ABF – The Soldiers Charity	Support ex armed forces personnel to transition to civilian lives in Gateshead	19,753	83,975	(89,137)	-	14,591
Sunderland City Council	Support for rough sleepers in Sunderland	10,135	69,500	(67,212)	-	12,423
Virgin Money Foundation	Establishment of the Athena project in Sunderland	22,617	-	-	(22,617)	-
Sunderland City Council	Additional COVID related support for families in Sunderland	29,390	28,120	(55,690)	-	1,820
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	-	542,681	(489,212)	-	53,469
NHS Vale of York CCG	To assist hospital staff in York to prevent avoidable admissions and facilitate effective discharge	35,203	82,377	(73,806)	-	43,774
Homes England	Purchase of homes for homeless people	2,285,881	-	-	(39,413)	2,246,468

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Notes to the Financial Statements for the Year Ended 31 March 2023

29 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Homes England	Refurbishment and Redevelopment of Elliot House into 36 flats	2,921,919	-	-	(73,766)	2,848,153
Total Housing and Homelessness		5,352,023	947,260	(919,264)	(135,796)	5,244,223

Drug and Alcohol

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
City of York Council	Establishment of a drug recovery centre in York	680,703	1,404,995	(1,439,904)	-	645,794
North Yorkshire County Council via Humankind	Partnership work in North Yorkshire – aftercare and recovery support	43,450	493,631	(463,545)	-	73,536
Total Drug and Alcohol		724,153	1,898,626	(1,903,449)	-	719,330

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Notes to the Financial Statements for the Year Ended 31 March 2023

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	9,903	159,456	(152,333)	-	17,026
The Vardy Foundation	Develop Theory of Change model to influence training and service delivery	19,384	-	(54)	(19,330)	-
Merseyside PCC	Supporting sex workers in Merseyside to improve their safety and report crimes against them	5,263	150,293	(143,724)	-	11,832
MHCLG via Newcastle City Council – Safe Newcastle Unit	Part funding of Outreach Workers in Newcastle	26,134	120,458	(134,045)	-	12,547
Home Office	Violence against women and girls (VAWG)	-	233,999	(209,732)	-	24,267
National Lottery Community Fund	Support for 120 individuals within the Northumbria Police region who have been groomed for exploitation.	13,515	98,838	(99,377)	-	12,976
Police, Fire and Crime Commissioner for North Yorkshire Community Fund	Sex work project in North Yorkshire	11,954	129,381	(129,956)	-	11,379
DCMS	Support to overcoming trauma for adult survivors of grooming and sexual exploitation	13,487	463,172	(464,167)	-	12,492
Notts PCC	Conditional Caution	-	20,612	(20,595)	-	17

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Notes to the Financial Statements for the Year Ended 31 March 2023

29 Restricted Funds (continued)

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
People's Postcode Trust	Support girls in Nottingham who experience period poverty	4,051	-	-	-	4,051
West Midlands PCC	Victim support in West Midlands	1,219	-	(181)	-	1,038
ADDER PCC	Red Umbrella sex worker project in Liverpool	-	69,133	(68,589)	-	544
Halton Borough Council	Provision of Domestic Abuse refuge and community support in Halton borough	5,851	-	(733)	-	5,118
PCC via MSS	Domestic Abuse safe accommodation around COVID in Cheshire	12,250	-	-	-	12,250
Newcastle City Council – Fairer Housing Unit	Provision of Domestic Abuse Health Advisor and Service Navigator	41,815	285,023	(282,958)	-	43,880
National Lottery via North East Law Centre	Employ Senior Support Worker as partner supporting disadvantaged groups	209	23,329	(11,518)	-	12,020
Northumbria PCC – COVID Fund	As above but specifically with reference to issues arising from COVID	46,489	107,010	(122,319)	-	31,180
Total Women and Children		211,524	1,860,704	(1,840,281)	(19,330)	212,617

The Cyrenians Limited**operating as Changing Lives****Notes to the Financial Statements for the Year Ended 31 March 2023****29 Restricted Funds (continued)****Employment**

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Newcastle City Council – Newcastle Fund	Peer mentoring programme in Newcastle	5,460	-	(85)	-	5,375
Business in the Community	Prepare unemployed people in Newcastle for work	-	29,255	(26,571)	-	2,684
Total Employment		5,460	29,255	(26,656)	-	8,059

Criminal Justice

Funder	Purpose of Funding	Opening	Income	Expenditure	Transfer	Closing
Nottinghamshire PCC	Working with Notts police to provide early intervention support	21,620	-	-	-	21,620
Total Criminal Justice		21,620	-	-	-	21,620

Grant Total

6,3,14,780	4,735,845	(4,689,650)	(155,126)	6,205,849
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