

Cyrenians

Trustee Report and Financial Statements

For the year ended 31 March 2023

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Who We Are

Cyrenians has been tackling the causes and consequences of homelessness for over 50 years.

Formed in 1968 by a group of concerned citizens, Cyrenians brought together a group of men experiencing homelessness and willing volunteers to live alongside each other in a previously disused property in the heart of the city. Sharing experience, life skills, and kindness, the house became not only an essential living space, but a home. This radical new model worked. It helped those men move towards more stable lives, breaking the cycle of homelessness, and became the foundation on which the rest of our organisation was built upon.

Today we are much larger. We now operate five residential communities, which still operate on the same ethos and volunteer-led model. In financial year 2022/23, these communities provided a home to over 70 people, including 44 young people aged between 16 and 25 years. Across the organisation, we now deliver over sixty services including five national projects covering seven local authorities across South-East and Central Scotland. Last year our services supported over 10,800 people. Our core aims remain the same: offering a person-centred approach to tackling and preventing homelessness.

We know our values-led approach works. We are able to build trusted relationships, free from judgement. Working alongside those we support, we are better able to engage with people before crisis point and support those individuals to forge their own journey, side by side.

We meet people where they are, to help them towards where they want to be. We go onto the streets and into homes, prisons, hospitals and workplaces. We open the doors to our communal houses and kitchens, and the gates to our gardens. We are front line, face to face, hand in hand, day after day.

Our volunteers are essential to our work. Each of our individual and corporate volunteers who donate time, experience and skills, help shape the way we do things. From residential workers to volunteer drivers, from gardeners to administrative workers, volunteers make our work possible; their diverse skills, experience and lives enrich Cyrenians as a whole.

We couldn't do our work without the support of the hundreds of volunteers who contribute every year.

Reference and Administrative Details

Charity name Cyrenians
Charity number SC011052
Registered address Norton Park, 57 Albion Road, Edinburgh EH7 5QY

Auditors Saffery LLP, Edinburgh Quay, 133 Fountainbridge,
Edinburgh EH3 9BA
Bankers Royal Bank of Scotland plc, 206 Bruntsfield Place,
Edinburgh EH10 4DF
Solicitors Anderson Strathern, 1 Rutland Court, Edinburgh EH1
2ET

Trustees

The Trustees who served during the year to 31 March 2023 and up to the date of signing of these financial statements were as follows:

John Lawrie (Chair from 16 May 2023)
Kirsty Bathgate (Chair) (resigned 16 May 2023)
Veronika Gunn-Boesch (Vice Chair from 27 June 2023)
Debora Benson (appointed 02 August 2022)
Peter Flockhart (resigned 13 December 2022)
Elinor Jayne
James Johnstone (appointed 02 August 2022)
Angela Leitch (appointed 02 August 2022)
Peter Lloyd (Treasurer) (appointed 27 June 2023)
Ciaran McGuigan (Treasurer) (resigned 27 June 2023)
Viv Monaghan (appointed 02 August 2022)
Isobel Wylie (Secretary)

Management Structure

The Senior Management Team, who are also the Key Management Personnel and attend Trustee meetings, comprises:

Chief Executive	Ewan Aitken
Directors of Services	Amy Hutton Michelle Lloyd
Director of Trading and Commercial Services	Linda Kelly
Director of Corporate Services	Kathryn Reilly (resigned 31 December 2022) Euan MacLean (appointed 01 January 2023)

Structure, Governance and Management

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

Cyrenians has a wholly-owned subsidiary, Cyrenian Enterprises CIC (Company number SC321653), a Community Interest Company which has remained dormant throughout the reporting period.

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

The Board recruits people with relevant knowledge and skills to fill vacancies that occur in its membership and may at any time appoint any person to be a Trustee, by way of a resolution passed by majority vote at a Board meeting. No other person or external body is entitled to appoint Trustees.

Trustees are appointed for a three-year term and can be re-appointed. New Trustees are selected through open recruitment. New Trustees are provided with an induction programme which includes guidance on their responsibilities as Trustees and familiarisation with the activities of the charity. Ongoing training is provided.

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

The Board of Trustees is the ultimate decision-making body. The Board delegates authority for strategic leadership and executive management to the Chief Executive (CEO) who is fully accountable to the Board. The CEO meets regularly with the Chair to plan and lead the main business of the charity.

Specific matters reserved for decision by the Board include recruitment of staff to senior posts and the remuneration scales for all staff.

Statement of Trustee Responsibilities

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity or that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Trustees' Report and Strategic Report

Objectives

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

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

Vision, mission and strategic direction

At Cyrenians we tackle the causes and consequences of homelessness. We understand that there are many routes into homelessness, and that there is no 'one size fits all' approach to supporting people towards more positive and stable futures. That's why all our work is values-led and relationship-based.

We meet people where they are and support them towards where they want to be.

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

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

Our person-centred work is always evolving, reflecting and supporting the changes we see within the community on both a local and national scale. Our 2021-2025 strategic plan has five principal aims which shape the direction of our organisation and build our resilience, allowing us to continue supporting those who need us:

- Reduce the number of people who experience homelessness or its root causes
- Seek system-change through the introduction of values-led, trusted relationship-based services across all sectors
- Build community and communities in all we do
- Keep the voice of lived experience at the heart of our decision-making and our contributions to public debates

- Grow our resilience by investing in nurturing our people and increasing the diversity of our supporters and income

During the year we took the decision to curtail our current plan and move towards a new rolling three-year strategic plan to apply from April 2024. This revised approach will be developed through the 2023/24 year.

What we do – Cyrenians’ services and enterprises

At Cyrenians, we take a public health approach to homelessness: we focus on prevention whilst supporting those who have reached crisis to move forward positively and seeking structural level systems change to build protective factors for communities and individuals. We recognise that homelessness is a late marker of a range of adverse experiences such as childhood poverty, trauma, abuse, relationship breakdown and poor mental and physical health. We are currently working across 60 different services covering prevention, crisis and recovery support, with the overall aim of ensuring that homelessness in Scotland is rare, brief and non-recurring. Our services range from supported housing, outreach support work and mediation to employability support, food pantries and food education projects. The work that we do not only aims to support those who are currently homeless or on the edges of homelessness, but also to prevent individuals and families from becoming homeless in the future.

Prevention

The most common cause of homelessness is relationship breakdown. We work across South-East and Central Scotland to deliver services that build relationships, keep people connected, develop employability skills and prevent routes into homelessness.

We work with young people and families, including those in care and in kinship care, to strengthen relationships to prevent homelessness via our mediation and support services and through the work of SCCR (Scottish Centre for Conflict Resolution). We also run learning and work programmes for young people who are struggling and who have disengaged from school and work, helping them to get their lives back on track. We offer learning programmes, activities, work placements and support, including at our farm in West Lothian and at our Visitor Centre at HMP Addiewell. These enable young people to be supported through childhood to realise their potential and reduce the risk of them becoming homeless or entering the criminal justice system in the future.

As well as strengthening family and community connections and tackling food poverty to build universal resilience against homelessness, our range of specialist services provide relationship-based support to people at higher risk of homelessness. This includes women experiencing domestic abuse, people in the criminal justice system, people who are isolated, veterans, those with poor mental health and people with addictions.

Progression

Through our outreach work, our addictions services and our family mediation and support services, we meet people facing tough realities where they are and support them towards where they want to be. We understand that there are many routes into homelessness, and that there is no 'one-size-fits-all' approach to supporting people towards more positive and stable futures. That's why all our work is values-led and relationship-based. Services like our Housing First service offer people the wraparound, sustained support they need to maintain a home of their own. Last year, none of the people who received case work support from our street outreach team returned to rough sleeping.

Change

We are working towards structural changes which will create a fairer Scotland for all in which homelessness is rare, brief and non-recurring. This includes our commitment to The Promise which is helping to ensure that care-experienced children and young people will grow up loved, safe and respected. It also extends to our policy and participation and leadership work including All In For Change, the Scottish Frontline Network, and our support of new Homeless Prevention Duties proposed by the Scottish Government. We have also been active as participants in the influencing work of the Everyone Home collective.

Cyrenians operates a number of small environmentally friendly social enterprises. These enterprises tackle waste and contribute to a circular economy whilst offering supportive employment and volunteering opportunities for people who have experienced tough realities. Last year, our enterprises redirected two million meals-worth of good-to-eat food from landfill, reducing hunger and supporting over 170 projects and services to bring people together through lunch clubs, breakfast clubs, pantries and other community food initiatives.

Strategic Report

Challenges

The last year has seen unprecedented challenges for the vulnerable individuals and families that Cyrenians supports. The pandemic and lockdowns took a disproportionately negative toll on the resilience, financial stability and mental health of individuals and communities who were already struggling. This impact is continuing to be felt, with worrying upward trends in the numbers of young people disengaging from education and struggling with their mental health. These challenges have been compounded by the acute cost-of-living crisis in the last year, which has resulted in more and more people having to make near-impossible decisions and being at risk of losing their home.

The systems and services which support people in crisis or at risk of homelessness are facing unprecedented pressures and the progress made in 2020 to eradicate rough sleeping threatens to be reversed. These pressures include the cost-of-living crisis, rising costs faced by charities and public services, and a large number of Ukrainian refugees. They also include the removal of access to accommodation for people with no recourse to public funds combined with an acute shortage of social/affordable housing. The numbers of people rough sleeping are once again creeping up and those housed in temporary accommodation has reached unprecedented levels. There are 3,560 households in temporary accommodation in Edinburgh alone, representing 24% of the total across Scotland. The latest Scottish Government statistics on homelessness (published 29 August 2023) showed that the number of open homelessness cases recorded - 28,944 open cases in September 2022 - is now the highest since records began in 2002 and has increased by 11 per cent on the previous year.

Achievements

In the context of these challenges we have again made a significant contribution to reducing the number of people who experienced homelessness or its root causes. Over the last year we are proud to say that we have supported nearly 11,000 people and more than 24,000 people visited our services and participated in training and events. We have contributed to the development and use of a values-led, trusted relationship by other public and third sector organisations through, for example:

- our partnerships with the Edinburgh Health & Social Care Partnership, Eildon Housing Association and others;
- our place-based community building work around community connection, food and green spaces;
- our national and international work on conflict resolution training; and
- our building of community-based support networks.

We have additionally led the sector in modelling what it takes to become a trauma-informed organisation.

Supporting our People

Our financial position has allowed us to invest in our organisational resilience, including new training and support for our staff, and in our infrastructure to maintain the quality of what we do and to help retain our staff in a tough recruitment context. As a Living Wage employer, we uprated the salaries of our lowest paid staff in this financial year in line with this commitment and we are developing a new, interactive E-Learning platform to ensure consistent and compliant training for all of our staff.

As part of our commitment to our people, we:

- are a Scottish Living Wage accredited employer
- earned the LGBT Charter Mark accreditation
- created a Trauma-informed workplace, supported by NHS Scotland
- maintain the Fundraising Guarantee for best practice
- are a Disability Confident employer.

The Board of Trustees expresses its gratitude to staff, volunteers and supporters for their commitment and hard work in helping Cyrenians deliver through difficult circumstances again this year.

Future Plans

Looking ahead to next year, as we continue to respond to these challenges we will publish a new three-year rolling strategic plan which will set out our priorities as we continue to tackle the causes and consequences of homelessness. Having more than doubled in size in the last nine years and expecting to grow by around 10 per cent again this year, we do not intend to grow at the same rate in future years.

The challenging social and economic context is driving increased demand for our work. We are proud to enjoy a high level of support from individuals and businesses in the areas where we work and have continued to benefit from significant donation income at a time when the cost-of-living crisis has placed downward pressure on many charities' ability to fundraise. This demonstrates a high degree of confidence in our work from the public and our corporate supporters. At a time when many other charities are having to reduce their offer, the number of services we offer and our overall turnover have increased whilst we have maintained a similar spread of income sources to maintain our overall financial resilience.

Though we continue to operate in challenging times both for our organisation and the people we support, we are continuing to develop our resilience as an organisation and remain steadfast in our commitment to tackling the causes and consequences of homelessness.

Financial Review

The results for the year are shown in the financial statements on pages 20-41.

Overall this has been a positive year for the charity, though not without its challenges. While fortunately Covid is behind us for the majority of staff and the people we support, its longer-term impact (and of the lockdowns) can still be felt in the support that people require. More positively, like many other organisations we have evolved how we work and see the benefit to staff and the organisation of offering flexible employment terms and working locations.

Total income for the year is £7.0m (2022: £6.1m) a rise of 15%. This has not been from any one source but rather has been spread across many of the areas in which we work. We have invested in our fundraising team and this is showing a positive return through growth in restricted and unrestricted income.

Enterprises have generally made small surpluses; however the exception to this is the Arnotdale café in Falkirk, which initially struggled to gain turnover after two years of lockdown-induced closure and has been hit with increased staff costs, utility costs and having to close several times due to flooding. We appreciate the ongoing support of our landlord, Falkirk Council, and have taken numerous steps to do everything we can to make the café profitable to operate.

Of particular significance in the year is the exit from the Lothian Pension Fund on 01 September 2022. Contrary to expectations, this resulted in a surplus position and a receipt of £274,000 is included within the results in connection with this. This is a one-off gain and all liabilities in connection with the Lothian Pension Fund are now nil.

Expenditure has also increased by 20% from last year, and the majority of this is on staff costs. Average salary costs have increased by 7% in the year and staff numbers have grown by around 9%.

Excluding the surplus from the pension scheme, a deficit of £210,000 would have been made. However this includes expenditure which has been made to develop the organisation's future capacity, an element of reduction in restricted reserves (reflecting income recognised in prior years being utilised in the current year) and the known deficits in some of our enterprises, as mentioned above. We do not see this as an endemic or problematic position.

Funding sources

The principal funding sources during the year are as follows:

	2023	2022
Local authority	36%	35%
Other Public Bodies	27%	27%
Generated Income	9%	9%
Big Lottery Fund / People's Postcode	2%	4%
Companies & Trusts	14%	20%
Donations & Other	12%	5%

We are continuing to ensure that we have a diversified source of funding that is not overly reliant on a single source or sector. We will continue to review income sources, levels and trends and act accordingly to maintain a healthy balance. We believe that one of our strengths is in building relationships with funders which leads to long-term rewards for the people we support, the funder and Cyrenians.

Reserves policy

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

Cyrenians' Reserves Policy includes a formal framework to allow enhanced monitoring and early intervention if required. This framework expresses our approach to determining an appropriate level of reserves and is reviewed annually.

The Trustees consider that the level of unrestricted general funds ("free reserves") at 31 March 2023 of £783,000 (2022: £517,000) are adequate for these purposes, noting that as part of our Reserves Policy, as well as free reserves, we also include designated property reserves in our consideration of acceptable levels of reserves. These were £203,000 at March 2023 (2022: £211,000). While the free reserves have increased in the year we anticipate several areas of investment in the organisation's infrastructure over the coming year and beyond which will erode the free reserves balance.

Trustees continually review the level of free reserves (those not committed or invested in fixed assets) in light of the changing landscape of our funding. The charity does not develop new services or tender for any contracts where the level of financial risk is deemed too high or exceeds the level of free reserves.

The balance on restricted funds at 31 March 2023 was £1,630,000 (2022: £1,683,000). This reduction in restricted funds reflects income recognition requirements whereby income has been received/recognised in prior years for costs which were incurred during 2022/23 and beyond. Restricted income funds will be utilised in 2023/24 and beyond to support and underwrite the continuation and development of the services to which the funds relate. We

share financial information with the funders and work with them on developing plans for any unused funds.

Investment policy

Cyrenians' investment policy is to strike a balance between gaining a return from its cash reserves with accessibility of working capital when it is required. The Board's position is to avoid high-risk investment of the charity's reserves. Some reserves are held in the form of property used for charitable purposes and the remainder is in cash. A proportion of this has been in a notice account with Scottish Widows (closed in June 2023) and the remainder is with NatWest Group. With interest rates rising, we plan to review the investment of the cash reserves to improve returns while minimising risk to the capital.

Risk assessment and management

The charity has a robust Organisational Risk Management Plan which requires the Trustees to examine formally the major strategic, business and operational risks which the charity faces on an annual basis. The detailed risk register is reviewed regularly by the Finance Committee and risks are added, reviewed and rescored as necessary. The full Board reviews the register in summary twice a year. Risks are also discussed by the Leadership Team at its regular meetings and any new risks identified reported to Trustees.

The Trustees confirm that systems have been established to manage the risks identified.

Auditor appointment

During the year we opened our external audit contract to tender. We approached eight audit firms, inviting them to submit a tender; three did so, and after an assessment process the Trustees unanimously agreed to offer the contract to Saffery LLP. We would like to thank our previous Auditors, Azets, for their diligence over many years and we look forward to working with Saffery LLP from the 2022/23 audit onwards.

Statement of disclosure to auditor

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

Signed on behalf of the Trustees:

A handwritten signature in black ink that reads "John Lawrie". The signature is written in a cursive, slightly slanted style.

John Lawrie

Date: 19th September 2023

Chair

Independent Auditor's Report to the Trustees of Cyrenians

For the year ended 31 March 2023

Opinion

We have audited the financial statements of Cyrenians (the 'charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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,

Independent Auditor's Report to the Trustees of Cyrenians

may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, 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

Independent Auditor's Report to the Trustees of Cyrenians

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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with Trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Independent Auditor's Report to the Trustees of Cyrenians

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the 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 charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Kenneth McDowell (Senior Statutory Auditor)

For and on behalf of Saffery LLP

Chartered Accountants

Statutory Auditors

Edinburgh Quay

133 Fountainbridge

Edinburgh

EH3 9BA

Date: 19 September 2023

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities

Incorporating the Income & Expenditure account

for the year ended 31 March 2023

	Notes	Restricted Funds	Designated Funds	General Funds	Total Funds	Total Funds
		£'000	£'000	£'000	2023 £'000	2022 £'000
Income & endowments from:						
Donations	3	-	-	493	493	794
Charitable activities	3	5,909	-	243	6,152	5,079
Other trading activities		-	-	262	262	175
Investments	4	-	-	7	7	-
Other	5	-	-	64	64	17
Total		5,909	-	1,069	6,978	6,065
Expenditure on:						
Raising funds	7	-	140	516	656	515
Charitable activities	8	5,962	6	443	6,411	5,447
Other expenditure:	11	-	-	53	53	(19)
Total		5,962	146	1,012	7,120	5,943
Net income / (expenditure)		(53)	(146)	57	(142)	122
Transfers between Funds	22	-	(3)	3	-	-
Net income / (expenditure) before other recognised gains & losses		(53)	(149)	60	(142)	122
Actuarial (losses) / gains on defined benefit pension scheme		-	-	(291)	(291)	486
Gain / (loss) on asset ceiling		-	-	497	497	(497)
Net movement in funds		(53)	(149)	266	64	111
Reconciliation of funds						
Total funds brought forward		1,683	355	517	2,555	2,444
Total funds carried forward		1,630	206	783	2,619	2,555

The notes on pages 23-41 form part of these financial statements.

Cyrenians

Balance Sheet

As at 31 March 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		377		365
Current assets					
Debtors	15	2,053		1,250	
Cash at bank and in hand	16	1,832		2,435	
		<u>3,885</u>	-	<u>3,685</u>	-
Current liabilities					
Creditors: amounts falling due within one year	17	<u>(1,624)</u>		<u>(1,465)</u>	
Net current assets			<u>2,261</u>		<u>2,220</u>
Total assets less current liabilities			2,638		2,585
Long Term liabilities:					
Creditors: amounts falling due after more than one year	18		(19)		(30)
Total net assets			<u><u>2,619</u></u>		<u><u>2,555</u></u>
The funds of the charity					
Restricted funds	22		1,630		1,683
Unrestricted designated funds	22	206		355	
Unrestricted general funds	22	<u>783</u>		<u>517</u>	
Total unrestricted funds			989		872
Total charity funds			<u><u>2,619</u></u>		<u><u>2,555</u></u>

The notes on pages 23-41 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustees on 19th September 2023 and signed on their behalf by:



John Lawrie
Chair



Deborah Benson
Trustee

Statement of Cashflow

For the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Net income for the year (per SOFA)		(142)	122
Adjustments for:			
Defined benefit pension		206	(11)
Depreciation charge		63	57
Bank interest received		(7)	-
Loan interest		1	1
Decrease / (increase) in debtors		(803)	(236)
Increase / (decrease) in creditors		148	61
Net cash from operating activities		<u>(534)</u>	<u>(6)</u>
Cash flow from investing activities			
Bank interest		7	-
Loan interest		(1)	(1)
Purchase of fixed assets		(75)	(1)
Net cash from investing activities		<u>(69)</u>	<u>(2)</u>
Change in cash and cash equivalents in the year		<u>(603)</u>	<u>(8)</u>
Cash and cash equivalents at beginning of year		2,435	2,443
Cash and cash equivalents at end of year	16	<u><u>1,832</u></u>	<u><u>2,435</u></u>

Reconciliation of net debt

	2022 £'000	Cash flows £'000	2023 £'000
Cash and cash equivalents	2,435	(603)	1,832
Concessionary loans	(40)	10	(30)
	<u>2,395</u>	<u>(593)</u>	<u>1,802</u>

The notes on pages 23-41 form part of these financial statements.

Notes to the Accounts

For the year ended 31 March 2023

1. Summary of significant accounting policies

General Information

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

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

The charity holds 100% of the issued share capital (£100) of the Cyrenian Enterprises Community Interest Company. This company has been dormant since incorporation in April 2007.

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

1.1 Basis of preparation

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

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

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

1.2 Going Concern

The Trustees have prepared the financial statements on the going concern basis, as there are no material uncertainties about its ability to continue. This is substantiated by Cyrenians' Reserves Policy which includes a formal framework to allow enhanced monitoring and early intervention if required. This framework, together with cash forecasting, demonstrates our approach to determining an appropriate level of reserves.

1.3 Income recognition

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

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

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

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

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

1.4 Funds

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

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

1.5 Tangible fixed assets

All assets individually costing more than £5,000 are capitalised and are stated at cost of acquisition less depreciation provided to date.

Purchases of furnishings and computer equipment are written off to revenue as incurred. Land is not depreciated as it is deemed to have an indefinite useful life.

Depreciation is provided on all other tangible fixed assets at the following annual rates in order to write off each asset over its estimated useful life, as follows:

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

1.6 Leases

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

1.7 Pensions

During the year the charity had both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate fund. The charity has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions payable for a period for defined contribution retirement benefit plans are charged as an expense.

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

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

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service with the charity and compensation levels.

On 1 September 2022 the charity exited from the defined benefit pension plan and all the charity's obligations relating to the pension plan ceased at that point.

1.8 Recognition and allocation of resources expended

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

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

1.9 Taxation

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

1.10 Financial assets and liabilities

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

- Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.
- At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.
- Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

1.11 Debtors

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

1.12 Cash and cash equivalents

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

1.13 Creditors

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

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

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

2. Critical judgements and estimates

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

Previous critical estimates and assumptions covered the actuarial valuation of the Lothian Pension Fund however this no longer applies owing to the cessation of this liability during the year.

The remaining critical assumption within these financial statements relates to heritable properties. Cyrenians considers its properties to be used for charitable purposes and because of this they are held at original cost and have not been revalued.

3. Incoming resources from charitable activities

	2023	2023	2023	2022
	Restricted	Unrestricted	Total	Total
	£'000	£'000	£'000	£'000
Home and housing	1,743	-	1,743	1,317
Family and people	2,326	-	2,326	1,899
Work and skills	729	-	729	867
Community and food	1,111	212	1,323	944
Other Grants & Donations	-	493	493	794
Other Charitable Income	-	31	31	52
	5,909	736	6,645	5,873
	5,909	736	6,645	5,873

4. Investment income

	2023	2022
	£'000	£'000
Bank interest received	7	-
	<u>7</u>	<u>-</u>

5. Other unrestricted income

	2023	2022
	£'000	£'000
Furlough income	-	17
Interest income on defined benefit plan assets	42	-
Interest income on defined benefit plan assets (prior years)	13	-
Other income	9	-
	<u>64</u>	<u>17</u>

6. Grants

Included in charitable activities are the following government grants:

Government body	Nature of award	2023	2022
		£'000	£'000
Third Sector Early Intervention fund	Scottish Centre for Conflict Resolution	252	203
Scottish Ministers - Welfare division	Fareshare food distribution	36	34
Scottish Ministers - Community Justice	Addiewell Prison Visitor Centre	62	57
Scottish Ministers - Safer Communities	Conflict Resolution services	203	103
Scottish Ministers - Social Justice	Fareshare Period Poverty	22	41
Scottish Ministers	All in for Change	23	20
The Promise Partnership	A Good Childhood	100	-
Improvement Fund	Recovery Activity	17	-
UK Shared Prosperity Fund	Good Food Initiatives	115	-
Community Jobs Scotland	Traineeships	2	41
Kickstart	Traineeships	-	13
Voluntary Sector Development Fund	Staff training	(3)	-
UK Government	Furlough support	-	17
Adapt & Thrive	Covid recovery	-	72
		<u>829</u>	<u>601</u>

Cyrenians places volunteering at the heart of its purpose and activities. We are committed to ensuring that local people have the opportunity to volunteer to help address the needs of their community. Over several years the charity has significantly increased the number and variety of volunteering roles, and achieves continuous improvement in the value of volunteering to the volunteers themselves, to the community (including businesses) and to the charity.

Note 6 (continued)

460 volunteers worked a total of 59,800 hours in 2022/23, equivalent to 36 full time posts.

Donated goods, facilities and services not recognised as income amount to £40,000 (2022: £18,000).

7. Expenditure on raising funds

	2023				2022			
	Restricted	Designated	General	Total	Restricted	Designated	General	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising staff costs	-	-	174	174	27	-	110	137
Events costs	-	-	30	30	-	-	10	10
Cost of trading activities	-	140	255	395	-	183	141	324
Other	-	-	57	57	5	-	39	44
	-	140	516	656	32	183	300	515

8. Expenditure on charitable activities

	2023				2022			
	Restricted	Designated	General	Total	Restricted	Designated	General	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Home and housing	1,609	1	-	1,610	1,371	-	22	1,393
Family and people	2,483	-	-	2,483	1,938	-	28	1,966
Work and skills	710	-	-	710	720	-	133	853
Community and food	1,057	-	212	1,269	914	-	288	1,202
Other charitable expenditure	103	5	231	339	28	-	5	33
	5,962	6	443	6,411	4,971	-	476	5,447

9. Support costs

2023	Management & strategic development	Finance, HR & IT	Governance	Total support	Direct costs	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Home and housing	104	110	21	234	1,376	1,610
Family and people	160	169	32	361	2,122	2,483
Work and skills	46	48	9	103	607	710
Community and food	81	85	16	182	1,087	1,269
Expenditure on raising funds	17	18	3	38	618	656
Other costs	49	51	10	110	229	339
	456	481	90	1,027	6,040	7,067

2022	Management & strategic development	Finance, HR & IT	Governance	Other	Total support	Direct costs	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Home and housing	47	82	17	4	150	1,243	1,393
Family and people	79	137	28	7	251	1,715	1,966
Work and skills	31	54	11	3	99	753	852
Community and food	42	72	15	4	133	1,069	1,202
Expenditure on raising funds	18	31	7	2	58	458	516
Other costs	-	25	-	-	25	(12)	13
	217	401	78	20	716	5,226	5,942

10. Governance costs

	2023 £'000	2022 £'000
Audit fees	23	14
Legal fees	-	4
Staff and office costs attributed to governance	63	59
Other costs	4	-
	90	78

11. Other expenditure

	2023 £'000	2022 £'000
Defined benefit pension scheme - current service cost	17	-
Defined benefit pension scheme - interest cost	36	-
Other	-	(19)
	53	(19)

12. Transactions with related parties

Everyone's Edinburgh

In January 2022 the Charity entered into an agency agreement with Everyone's Edinburgh (Scottish Charity SC051506). Ewan Aitken, CEO of Cyrenians is Chair of the Board of Everyone's Edinburgh. The agreement was for Cyrenians to receive money into their bank account for grants awarded to Everyone's Edinburgh, and to make payments on their behalf when authorised by Everyone's Edinburgh officials (excluding Ewan Aitken). This was agreed in order that Everyone's Edinburgh could start delivering on their grant objectives before their bank account was opened.

During the year Cyrenians received a grant of £5,000 into their bank account on behalf of Everyone's Edinburgh (2022: £50,000) and made payments totalling £32,870 (2022: £16,074). Cyrenians transferred the balance held of £6,056 into Everyone's Edinburgh's bank account when it was opened in November 2022, and no further transactions were undertaken. The balance held by Cyrenians on behalf of Everyone's Edinburgh at 31 March 2023 was £nil (31 March 2022: £33,926).

The Ripple Project

Ewan Aitken is a Trustee of The Ripple Project (Scottish Charity SC009944). The Ripple Project is a community food member of Cyrenians' Fareshare project. During the year the membership fee charged to The Ripple Project was £1,631 plus VAT (2022: £1,668 plus VAT). The balance owed to Cyrenians at 31 March 2023 was £1,957 (2022: £nil).

13. Employees and key management personnel

The average number of staff employed during the year ended 31 March 2023 was 194 (2022 including sessional staff: 178). This is broken down as follows:

	2023	2022
Direct charitable activities	169	156
Head Office support	25	22
	<u>194</u>	<u>178</u>

Total payroll costs in the year were:

	2023	2022
	£'000	£'000
Salaries and wages	4,568	3,873
Employer's National Insurance contributions	393	306
Employer's contributions to defined contribution pension scheme	198	182
Operating costs of defined benefit pension scheme	19	70
	<u>5,178</u>	<u>4,432</u>

The key management personnel of Cyrenians comprise the Chief Executive Officer, Director of Corporate Services, Director of Commerce and Trading, and two Directors of Services. The total amount of remuneration and benefits received by the key management personnel for their services to the charity was £364,000 (2022: £336,000).

The number of employees and key management personnel earning in excess of £60,000 per annum were:

	2023	2022
£70,000 - £80,000	-	1
£80,000 - £90,000	<u>1</u>	<u>-</u>

No Trustees were remunerated nor received any other benefits from employment with the charity during the year. During the year £1,000 of reimbursements to Trustees was made in connection with travel expenses incurred (2022: £nil).

14. Tangible fixed assets

	Heritable Property £'000	Plant & Equipment £'000	Vehicles £'000	Total £'000
Cost:				
At beginning of period	320	516	100	936
Additions	-	-	75	75
Disposals	-	-	(9)	(9)
At end of period	<u>320</u>	<u>516</u>	<u>166</u>	<u>1,002</u>
Accumulated depreciation:				
At beginning of period	112	398	62	571
Disposals	-	-	(9)	(9)
Charge for period	5	30	28	63
At end of period	<u>117</u>	<u>428</u>	<u>81</u>	<u>625</u>
Net Book Value				
At 31 March 2023	<u>203</u>	<u>89</u>	<u>85</u>	<u>377</u>
At 1 April 2022	<u>208</u>	<u>119</u>	<u>38</u>	<u>365</u>

All assets are held for charitable purposes.

At the year end there were no capital commitments.

15. Debtors

	2023 £'000	2022 £'000
Trade Debtors	1,377	700
Accrued Income & prepayments	594	472
Prepayments	50	41
Other Debtors	<u>32</u>	<u>37</u>
	<u>2,053</u>	<u>1,250</u>

16. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	1,593	2,197
Notice deposits	<u>239</u>	<u>238</u>
	<u>1,832</u>	<u>2,435</u>

17. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	105	170
Accruals	231	151
Deferred income	988	916
Taxation and social security	142	81
Other creditors	147	137
Concessionary loan	11	10
	<u>1,624</u>	<u>1,465</u>

Deferred income reconciliation

	2023	2022
	£'000	£'000
Opening balance	916	631
Released in year	(770)	(425)
Deferred in year	842	710
Closing balance	<u>988</u>	<u>916</u>

18. Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Concessionary loan	<u>19</u>	<u>30</u>
Due in one to two years	11	10
Due in two to five years	<u>8</u>	<u>20</u>
	<u>19</u>	<u>30</u>

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

19. Defined benefit pension

Until 1 September 2022, Cyrenians participated in the Lothian Pension Fund, a defined benefit Local Government Pension Scheme administered by the City of Edinburgh Council. The scheme was closed to new members from January 2007 from which point on a stakeholder pension scheme with Standard Life has been offered to all staff.

On 1 September 2022 Cyrenians withdrew fully from Lothian Pension Fund, bringing all current and future liabilities for Cyrenians in connection with the Lothian Pension Fund to nil. An exit asset of £274,000 was paid in November 2022 to Cyrenians in connection with the withdrawal from the scheme.

Employer contributions to the Lothian Pension Fund during the year amounted to £19,000 (2022: £70,000). No contributions have been payable since 1 September 2022.

Explanation of amounts in the financial statements

	2023	2022
	£'000	£'000
Fair value of assets	3,044	3,741
Present value of funded obligations	(2,770)	(3,231)
Surplus	274	510
Asset ceiling loss	-	(510)
Surplus cash received	(274)	-
Net defined benefit liability	<u>-</u>	<u>-</u>

Amount recognised in the Statement of Financial Activities over the year

	2023	2022
	£'000	£'000
Current service cost	17	55
Interest on liabilities	36	68
Interest on assets	(42)	(68)
Total	<u>11</u>	<u>55</u>

Note 19 (continued)**Change in the fair value of plan assets, defined benefit obligation and net liability for the period ended 1 September 2022**

	Period ended 1 September 2022			31 March
	Assets	Liabilities	Net asset /	2022
	£'000	£'000	(liability)	Net asset /
			£'000	(liability)
			£'000	£'000
Fair value of plan assets	3,741	-	3,741	3,409
Present value of funded obligations	-	3,231	(3,231)	(3,396)
Opening position as at 31 March 2022	3,741	3,231	510	13
Service cost	-	17	(17)	(55)
Interest income on plan assets	42	-	42	68
Interest cost on defined benefit obligation	-	36	(36)	(68)
Total net interest	42	36	6	-
Total defined benefit cost recognised in Profit or (Loss)	42	53	(11)	(55)
Participant contributions	2	2	-	-
Employer contributions	66	-	66	66
Estimated benefits paid	(36)	(36)	-	-
Expected closing position	3,815	3,250	565	24
Changes in financial assumptions	-	(562)	562	228
Changes in demographic assumptions	-	-	-	18
Other experience	(17)	82	(99)	(7)
Return on assets excluding amounts included in net interest	(754)	-	(754)	247
Total remeasurements recognised in Other Comprehensive Income	(771)	(480)	(291)	486
Fair value of plan assets	3,044	-	3,044	3,741
Present value of funded obligations	-	2,770	(2,770)	(3,231)
Closing position as at 1 September 2022	3,044	2,770	274	510

Note 19 (continued)**Assets**

The major categories of assets as a percentage of total assets as at 1 September 2022 are as follows:

Asset category	2023	2022
Equities	0%	35%
Bonds	99%	57%
Property	0%	3%
Cash	1%	5%
	100%	100%

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

Actuarial assumptions

The principal assumptions used to calculate the scheme's liabilities up to the point of closure include:

	2023	2022
Discount rate	3.2%	2.7%
Future salary increases	3.1%	3.7%
Future pension increases	2.6%	3.2%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate improvement of 1.5% p.a.

	Males	Females
Current Pensioners	20.3 years	23.1 years
Future Pensioners*	21.6 years	25.0 years

* Figures assume members aged 45 as at the last formal valuation date

20. Defined contribution pension

From 1 January 2007 all members of staff not already members of Lothian Pension Fund have been offered membership of a stakeholder pension scheme with Standard Life, which is a defined contribution scheme with employer contributions of between 6% and 12% subject to employee contributions of 6%. Auto-enrolment into the Standard Life scheme commenced on 1 October 2014 with employer contributions now at 3% but all staff continuing to be offered enhanced employer contributions under the same terms as the original stakeholder scheme.

21. Analysis of net assets between funds

	2023	2023	2023	2023
	Restricted	Designated	General	Total
	£'000	£'000	£'000	£'000
Fixed assets	-	203	174	377
Net current assets	1,630	3	628	2,261
Creditors due in more than one year	-	-	(19)	(19)
	<u>1,630</u>	<u>206</u>	<u>783</u>	<u>2,619</u>

	2022	2022	2022	2022
	Restricted	Designated	General	Total
	£'000	£'000	£'000	£'000
Fixed assets	-	211	154	365
Net current assets	1,682	144	394	2,220
Creditors due in more than one year	-	-	(30)	(30)
	<u>1,682</u>	<u>355</u>	<u>517</u>	<u>2,555</u>

22. Funds – movement in year

	Balance			Other	Balance at
	at 1			gains /	31 March
	April	Income	Expenditure	Transfers (losses)	2023
	£'000	£'000	£'000	£'000	£'000
Restricted Funds					
Home and housing	290	1,743	(1,609)	-	424
Family and people	585	2,326	(2,483)	-	428
Work and skills	270	729	(710)	-	289
Community and food	263	1,111	(1,057)	-	317
Organisation infrastructure investment	275	-	(103)	-	172
	<u>1,683</u>	<u>5,909</u>	<u>(5,962)</u>	<u>-</u>	<u>1,630</u>
Unrestricted Funds					
Unrestricted Designated Funds					
Properties	211	-	(5)	(3)	203
Budgeted reserves requirement	140	-	(140)	-	-
Des Ryan sports fund	3	-	-	-	3
Lesley Sorrie memorial fund	1	-	(1)	-	-
	<u>355</u>	<u>-</u>	<u>(146)</u>	<u>(3)</u>	<u>206</u>
Unrestricted General Funds					
General fund	528	1,069	(1,012)	(8)	206
Pension reserve	(11)	-	-	11	-
	<u>517</u>	<u>1,069</u>	<u>(1,012)</u>	<u>3</u>	<u>206</u>
Total Unrestricted Funds	<u>872</u>	<u>1,069</u>	<u>(1,158)</u>	<u>-</u>	<u>989</u>
Total Funds	<u>2,555</u>	<u>6,978</u>	<u>(7,120)</u>	<u>-</u>	<u>2,619</u>

Note 22 (continued)

	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains / (losses) £'000	Balance at 31 March 2022 £'000
Restricted Funds						
Home and housing	322	1,332	(1,366)	2	-	290
Family and people	590	1,906	(1,932)	21	-	585
Work and skills	250	737	(717)	-	-	270
Community and food	379	802	(941)	23	-	263
Organisation infrastructure investment	-	300	(25)	-	-	275
Development of new charitable activities	1	1	(3)	1	-	-
	<u>1,542</u>	<u>5,078</u>	<u>(4,984)</u>	<u>47</u>	<u>-</u>	<u>1,683</u>
Unrestricted Funds						
Unrestricted Designated Funds						
Properties	215	-	-	(4)	-	211
Budgeted reserves requirement	240	-	(183)	83	-	140
Des Ryan sports fund	3	-	-	-	-	3
Lesley Sorrie memorial fund	1	-	-	-	-	1
	<u>459</u>	<u>-</u>	<u>(183)</u>	<u>79</u>	<u>-</u>	<u>355</u>
Unrestricted General Funds						
General fund	364	987	(776)	(47)	-	528
Pension reserve	-	-	-	-	(11)	(11)
	<u>364</u>	<u>987</u>	<u>(776)</u>	<u>(47)</u>	<u>(11)</u>	<u>517</u>
Total Unrestricted Funds	<u>823</u>	<u>987</u>	<u>(959)</u>	<u>32</u>	<u>(11)</u>	<u>872</u>
Total Funds	<u>2,365</u>	<u>6,065</u>	<u>(5,943)</u>	<u>79</u>	<u>(11)</u>	<u>2,555</u>

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

The designated fund 'Budgeted reserves requirement' was created to cover investment in an organisational staffing restructure and shortfalls on Cyrenians' Farm and Arnotdale Café while these were grown to profitability. This reserve has been fully utilised during the year and no further increase to the designated reserve has been made.

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

The Leslie Sorrie memorial fund was set up to commemorate a former employee of the charity. Small welfare grants of up to £100 were paid out to clients engaged in the charity's services. This fund has now been fully utilised.

Note 22 (continued)

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

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2023 £'000
National Lottery Community Fund (Befrie	39	80	(119)	-
National Lottery Community Fund (Work	62	-	(62)	-
Lankelly Chase Foundation (Research)	1	-	(1)	-
Walter Scott & Partners Ltd	-	25	(25)	-
Cattanach SCIO	-	25	(25)	-
Basil Death Trust	-	3	(3)	-

23. Operating leases

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

	2023 £'000	2022 £'000
Not later than one year	73	73
One to two years	10	-
Over two years	5	-
	<u>88</u>	<u>73</u>

24. Statement of Financial Activities

Incorporating the Income & Expenditure account
for the year ended 31 March 2022

	Restricted Funds	Designated Funds	General Funds	Total Funds 2022	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000
Income & endowments from:					
Donations	421	-	373	794	635
Charitable activities	4,657	-	422	5,079	4,758
Other trading activities:	-	-	175	175	61
Investments	-	-	-	-	2
Other	-	-	17	17	200
Total	5,078	-	987	6,065	5,656
Expenditure on:					
Raising funds	32	183	300	515	225
Charitable activities	4,971	-	476	5,447	5,144
Other expenditure:	(19)	-	-	(19)	43
Total	4,984	183	776	5,943	5,412
Net income / (expenditure)	94	(183)	211	122	244
Transfers between Funds	47	(60)	13	-	-
Net income / (expenditure) before other recognised gains & losses	141	(243)	224	122	244
Actuarial (losses) / gains on defined benefit pension scheme	-	-	486	486	(244)
Gain / (loss) on asset ceiling	-	-	(497)	(497)	238
Net movement in funds	141	(243)	213	111	238
Reconciliation of funds					
Total funds brought forward	1,541	459	444	2,444	2,206
Total funds carried forward	1,682	216	657	2,555	2,444