

Company Registered Number 1197478

Charity Registered Number 269158

London Cyrenians Housing Limited

Report and financial statements

for the year ended

31 MARCH 2018

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LONDON CYRENIANS HOUSING LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

STATUS	Company limited by guarantee without share capital and registered as a charity
REGISTERED OFFICE	Carlyle House 235-237 Vauxhall Bridge Road London SW1V 1EJ
HONORARY OFFICERS	Stephen Bashorun (Chair) Michael Driver (Chair of Finance C'tte) James McNicholas (Secretary)
BANKERS	Barclays Bank plc Level 27 1 Churchill Place Canary Wharf London E14 5HP
AUDITOR	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY
ACCOUNTANTS & FINANCIAL ADVISERS	Smith & Williamson LLP 25 Moorgate London EC2R 6AY
SOLICITORS	Trowers & Hamlins Fiona Campbell Oliver Fisher
COMPANY REGISTERED NUMBER	1197478
CHARITY REGISTERED NUMBER	269158
REGISTERED PROVIDER OF SOCIAL HOUSING NUMBER	LH4377

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 MARCH 2018

The Board of Trustees presents its report and accounts for the year ended 31 March 2018. The Income and Expenditure Account, Statement of Financial Position, Statement of Changes in Equity and Reserves, and Statement of Cash Flows are included later in this report.

Activities

The principal activity of the Company is the provision of housing and support to single vulnerable people with a range of challenging and complex needs.

Public Benefit

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit. All our activities are undertaken in furtherance of our charitable purposes which are for the public benefit as described above.

Review of Affairs

A key objective for the year was the focus on service delivery in order to promote recovery and enhanced customer experience.

An innovative partnership was commissioned in west London involving a team of clinical professionals and Cyrenians staff working collaboratively on the same site. The initial assessment of the new service has been very positive.

During the year we substantially increased the resources allocated to training by utilising the net income received from a property currently rented to medical students.

Ongoing develop plans were implemented during the year in collaboration with our customers, families, support networks and commissioners.

Our capital investment programme was continued during the period reflecting our commitment to creating environments which are conducive to customer wellbeing, safety and recovery.

Wherever feasible we have used the latest technology to improve the delivery of our services and frequently ask customers for feedback on our upgrades which is usually positive.

Our growth path and developments are closely aligned with the aims and objectives in our strategic plan and we are proud to be consistently ranked amongst the best providers in our sector.

We would like to take this opportunity to thank our customers and staff for their commitment and dedication, to thank our Commissioners for their ongoing support and constructive feedback and to thank our Board for their guidance and forward thinking.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 MARCH 2018 (continued)

Risks and uncertainties in the immediate future and the system of risk management in place

In common with the whole of the supported housing sector, the principal risks facing the organisation are as follow:

1. The continuing reduction in the value of support contracts.
2. The introduction of the Universal Credit benefit system and the potential threat to the Company's "exempt" status arising from the housing benefit reorganisation.
3. The difficulty in recruiting skilled and competent support staff.

The Company operates a formal risk management system for assessing business risks utilising appropriate risk management techniques. As part of Cyrenians' business planning process, the Board:

- Reviews and updates the risk management process and undertakes assessments of policies and procedures. These assessments include reviewing the types of risk Cyrenians faces; prioritising risks in terms of potential impact; assessing the likelihood of occurrence; and identifying measures for mitigating the risks.
- Maintains appropriate insurance cover.
- Satisfies themselves that Cyrenians' internal controls are consistent with best practice and provide a sound basis for managing our affairs.

Disabled persons

Fair consideration is given to disabled applicants who seek employment with the Company. The Company will also provide training and other support to members of staff who become disabled during their employment.

Employee information

Employees are provided with regular bulletins about the organisation's activities and development plans. Employees also receive briefings through formal and informal Company meetings, supervisions, appraisals, and ad hoc meetings and events. The Company values the views of its employees which it collects and reviews on a regular basis.

Financial performance indicators

The Company's key financial performance indicators are occupancy, staff turnover and arrears. Performance against these for 2017/18 was as follows:

Occupancy	92%
Staff turnover	27.3%
Arrears	5.2%

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 MARCH 2018 (continued)

Value for Money Metrics

The following VfM metrics have been calculated as recommended by the Regulator of Social Housing:

- **Reinvestment** - There was no capital reinvestment during the year, but there was significant revenue expenditure on maintenance of the housing stock.
- **New supply delivered** – There were no additions to the managed services or owned properties during the financial year.
- **Gearing** - London Cyrenians has no borrowing.
- **EBITDA MRI-Interest cover** - London Cyrenians has no borrowing and therefore no interest.
- **Headline social housing cost per unit** - £6,550
- **Operating margin** - 1.85%
- **Return on capital employed (ROCE)**- 2.01%

Level of Reserves

In line with best practice Cyrenians seeks to maintain unrestricted reserves and working capital at a level that is prudent and sufficient to ensure that the Company's current and planned future activities can be operated effectively and to enable any unexpected financial interruption to be satisfactorily managed. No more than 10% of income in any one year is used to increase unrestricted reserves which is a funder requirement. To satisfy these policy objectives Cyrenians aims to maintain its designated and general reserves at a level equivalent to the proportion of projected income which equates to the usual notice period in our operational contracts.

The Board of Trustees (directors and trustees of the company) are appointed following: an open recruitment process; meetings with senior members of staff; attendance as observers at three board meetings; and an interview with the Cyrenians Chair: all these steps are in accordance with Cyrenians' written procedures. The following served during the period:

S. Bashorun	H. Maxwell
D. Cammiade (appointed 25.11.2017)	Dr B. Punukollu
A. Diggle	L. Semmens
M. Driver	Prof B. Thomas
C. Makin	C. Thompson

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 MARCH 2018 (continued)

All members of the Board are members of the Company and guarantee to contribute to the assets of the Company, in the event of it being wound up, such amounts as may be required not exceeding £1. The number of guarantees at 31 March 2018 was ten (2017-9).

Members of the Board have no beneficial interest in the Company and are not remunerated. They are indemnified by the Company against legal action arising in the course of their duties.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Board is responsible for preparing a Report of the Board of Trustees and Strategic Report and the financial statements in accordance with applicable law and regulations.

The law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the Company's financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board 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 Company and of the surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

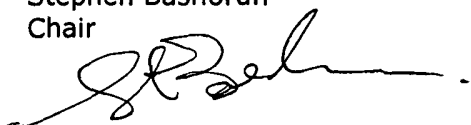
The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to re-appoint Nexia Smith & Williamson LLP as auditor to the Company will be submitted to the Annual General Meeting in September 2018.

This report was approved by the Board of Trustees on 26 July 2018 and signed on its behalf by:

Stephen Bashorun
Chair



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON CYRENIANS
HOUSING LIMITED****Opinion**

We have audited the financial statements of London Cyrenians Housing Limited (the 'charitable company') for the year ended 31 March 2018 which comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Changes in Equity and Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered providers Social Housing 2015.

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 charitable company 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

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

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

Other information

The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

LONDON CYRENIANS HOUSING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON CYRENIANS HOUSING LIMITED (CONTINUED)

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 Report of the Board of Trustees and Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees and Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees and Strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors 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 directors 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 directors are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

LONDON CYRENIANS HOUSING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON CYRENIANS HOUSING LIMITED (CONTINUED)

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Nexia Smith & Williamson

Julie Mutton
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 8/8/18

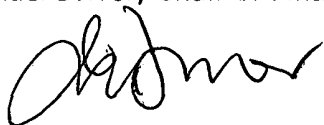
LONDON CYRENIANS HOUSING LIMITED

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2018

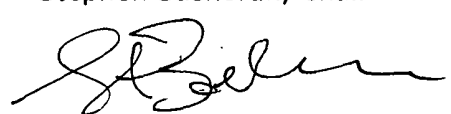
	Note	2018	2017
		£	£
Turnover	3	11,887,668	11,654,398
Operating expenditure		(11,671,810)	(11,685,232)
Operating surplus/(deficit)	3	215,858	(30,834)
Other income		69,513	55,823
Interest receivable and similar income	7	47,528	48,927
(Loss)/gain on fair value of investment	17	(5,719)	33,872
Surplus before property revaluation		327,180	107,788
Gain on revaluation of investment property	8	699,300	-
Surplus for the financial year		1,026,480	107,788

The financial statements were approved by the Board of Trustees on 26 July 2018 and were signed on its behalf by:

Michael Driver, Chair of Finance Committee



Stephen Bashorun, Chair



Registered number 1197478 England and Wales

The notes on pages 15 to 24 form part of these financial statements.

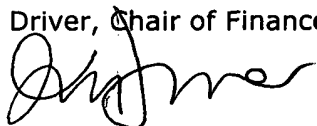
LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 March 2018

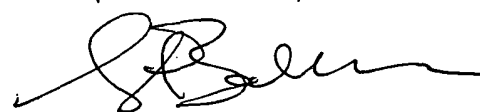
	Notes	2018	2017
		£	£
Fixed assets			
Investment property	8	1,706,995	-
Tangible assets – housing properties	9	9,151,401	10,744,918
		<u>10,858,396</u>	<u>10,744,918</u>
Current assets			
Debtors	10	455,531	555,393
Financial assets-investments	17	247,200	290,544
Cash at bank and in hand	11	8,372,859	7,275,976
		<u>9,075,590</u>	<u>8,121,913</u>
Creditors: amounts falling due in less than one year	12	(3,676,526)	(5,718,898)
		<u>5,399,064</u>	<u>2,403,015</u>
Net current assets			
		<u>16,257,460</u>	<u>13,147,933</u>
Total assets less current liabilities			
Creditors: amounts falling due in more than one year	12	-	(964,568)
Provisions for liabilities	13	(7,398,358)	(4,350,743)
Net assets		<u>8,859,102</u>	<u>7,832,622</u>
Capital and reserves			
Designated reserves	14	1,420,195	1,420,195
Revaluation reserves		699,300	-
General reserves		<u>6,739,607</u>	<u>6,412,427</u>
		<u>8,859,102</u>	<u>7,832,622</u>

The financial statements were approved by the Board of Trustees on 26 July 2018 and were signed on its behalf by:

Michael Driver, Chair of Finance Committee



Stephen Bashorun, Chair



Registered number 1197478 England and Wales

The notes on pages 15 to 24 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF CHANGES IN EQUITY AND RESERVES FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Designated Reserves £	General Reserves £	Revaluation Reserve £	Total Reserves £
At 1 April 2016(restated)		1,420,195	6,304,639	-	7,724,834
Total Comprehensive Income		-	107,788	-	107,788
Transfers between reserves		-	-	-	-
At 31 March 2017		1,420,195	6,412,427	-	7,832,622
Total Comprehensive Income		-	1,026,480	-	1,026,480
Transfers between reserves		-	(699,300)	699,300	-
At 31 March 2018		1,420,195	6,739,607	699,300	8,859,102

The notes on pages 15 to 24 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF CASH FLOWS for the year ended 31 March 2018

	Notes	2018 £	2017 £
Net cash generated/(used in) from operating activities	A	1,011,730	(815,811)
Investing activities			
Interest received		47,528	48,927
Proceeds from disposal of investments		<u>37,625</u>	<u>18,102</u>
Net cash generated from investing activities		<u>85,153</u>	<u>122,852</u>
Financing activities			
Interest paid		-	-
Net cash generated from/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		1,096,883	(748,852)
Cash and cash equivalents at beginning of the year		7,275,976	8,024,828
Cash and cash equivalents at end of year		<u>8,372,859</u>	<u>7,275,976</u>

The notes on pages 15 to 24 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS for the year ended 31 MARCH 2018

A RECONCILIATION OF SURPLUS TO NET CASH GENERATED/(USED IN) FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Surplus for the financial year	1,026,480	107,788
Gain on revaluation of investment property	(699,300)	-
Loss/(gain) on fair value of investment	5,719	(33,872)
Interest receivable and similar income	(47,528)	(48,927)
Depreciation charge on tangible fixed assets	585,821	656,174
Decrease/(increase) in debtors	99,862	(300,153)
Decrease in creditors	(3,006,940)	(651,103)
Increase/(decrease) in provisions	3,047,615	(545,788)
	<hr/>	<hr/>
Net cash generated/(used in) from operating activities	1,011,730	(815,811)
	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

1 Accounting policies

The principal accounting policies are summarised below.

Basis of preparation

London Cyrenians Housing Limited is a company limited by guarantee without share capital and registered as a charity, incorporated in England and Wales. The address of the registered office is Carlyle House, 235-237 Vauxhall Bridge Road, London, SW1V 1EJ. The company meets the definition of a Public Benefit Entity per FRS 102.

The financial statements are prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice, Accounting by registered social housing providers 2014, ("the SORP") issued by the National Housing Federation. The financial statements also comply with the Accounting Direction for private registered providers of social housing 2015 ("the Direction").

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements have been prepared under the historical cost convention, except where otherwise stated.

Going concern

The Board have prepared these financial statements on a going concern basis. This follows a review of expected future cash flows taking into account the timing of expected income and expenditure. Based on that review, the Board consider that all of the Company's liabilities will be met at or before the point they fall due.

Turnover

Charges to residents and income from investments are included in the Income and Expenditure account in the year to which they relate.

Voluntary income is received by way of donation and gifts and is included in full in the Income and Expenditure account when received unless it is provided for a specific purpose in which case it is recognised in the Income and Expenditure account in the period in which the relevant expenditure is incurred.

Revenue grants including Supporting People are credited to the Income and Expenditure account in the period to which they relate.

Legacies are recognised at the date on which the solicitors acting for the estate confirm that an amount will be payable.

Fixed assets and depreciation

The capital cost of housing properties includes the purchase price and alteration works but not associated professional fees which are written off as incurred. Housing properties are stated at cost less accumulated depreciation and any recognised impairment losses.

Fixed assets are depreciated at varying rates in order to write off the cost less estimated residual value of the assets over their useful lives. The useful lives are estimated as follows:

Property	13 years
Motor vehicles	3 years
The land element of property is not depreciated.	

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

1 Accounting policies (continued)

Impairment of housing properties

At each statement of financial position date, housing schemes are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value with its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Income and Expenditure account; the carrying value is reduced appropriately.

The recoverable amount of a scheme is the higher of its fair value less costs to sell and its value in use. Value in use for housing schemes which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the scheme is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Income and Expenditure account.

Investment property

Investment properties, which are properties held to earn rental and / or for capital appreciation, are initially measured at cost and subsequently at fair value. The directors have opted to revalue annually, with the support of independent professional valuers on a periodic basis at the balance sheet date. When the directors revalue the properties they make judgements based on current tenants, remainder of the lease term of tenancy, location, and other market conditions. Gains or losses on revaluation are recognised in the Income and expenditure account and where these are above depreciated historic cost they are subsequently transferred to the property revaluation reserve.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific future performance related conditions on the company, is recognised only when those conditions are met. A grant received before the revenue recognition criteria are satisfied is shown as a liability in the Statement of Financial Position.

Value added tax

The Company is not registered for VAT purposes and expenditure is shown gross of any value added tax.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

1 Accounting policies (continued)

Pension costs

The Company contributes to certain employees' personal pension plans on a defined contribution basis. Contributions are also made to the pension scheme of certain employees in accordance with their rights under TUPE. The pension cost charge represents the contributions payable under the scheme by the Company to the fund. The Company has no liability under the scheme other than for the payment of those contributions.

Contributions to defined contribution pension schemes are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Designations

Designated reserves are unrestricted reserves earmarked by the Council for particular purposes. The designations are as follows:

Hidden Home Initiative: to ensure that Cyrenians is in a position to bid for and provide new schemes and services to vulnerable people.

Innovation and service improvements: resources to develop and implement pioneering new services and approaches to service delivery.

Partnerships and alliances: funds for developing collaborations with relevant organisations.

Furniture and equipment replacements: fund for renewing contents of customers' accommodation.

General reserve

This reserve relates to the cumulative retained earnings, excluding revaluations and transfers to designated reserves.

Revaluation reserve

This reserve relates to the cumulative revaluation of investment property and related deferred taxation.

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Investments are recognised at their fair value with movements going to the Income and Expenditure account.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of under a year and bank overdrafts which are an integral part of the company's cash management.

Employee benefits

Short term employee benefits such as holiday pay are accrued as services are rendered.

Operating leases

Rentals payable under operating leases are charged to Income and Expenditure on a straight line basis over the lease term.

The aggregate benefits of any lease incentive are recognised as a reduction in expenses recognised over the term of the lease.

2 Key sources of estimation uncertainty and judgements

The preparation of Financial Statements requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Key sources of estimation uncertainty

The estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Valuation of Investment property

One of the Company's properties was transferred from housing properties to investment property during the year when it changes from being used for supported housing to rental arrangement. After transfer and initial recognition, the investment property is measured at its fair value. The valuation assessment at year end has been performed by the Directors of the Company based on publicly available market data.

Useful lives of Company properties

The depreciation applied by the Company to its owned properties takes into account the age and condition of the properties as well as the intensive utilisation sustained by the assets due to the nature of the services and client group of the Company. The accumulated depreciation at 31 March 2018 was £4,038,317 (2017: £3,699,682)

Income

Income is recognised in the period to which it relates. Allowance is made for refunds of any income where it is considered probable that repayment will be required.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

2 Key sources of estimation uncertainty and judgements (continued)

Dilapidations provision

The Company makes provision for dilapidations to its leased properties. The provision takes account of contractual responsibilities, health and safety obligations and any other relevant regulatory requirements.

Bad debt provision

The debtor balances in respect of charges to customers and statutory bodies of £163,967 (2017: £184,900) and revenue grant receivable £292,110 (2017: £349,202) which are recorded in the company's Statement of Financial Position. A full line review of debtors balances are carried out at the end of each month. The bad debt provision against these balances at 31 march 2018 was £139,986 (2017:£136,249) and £40,982 (2017:£39,428) respectively.

3 Operating surplus/(deficit)	2018	2017
Is stated after charging:	£	£
Depreciation	585,821	656,174
Auditor's remuneration – audit services	16,500	15,000
	<hr/>	<hr/>
Social housing income and expenditure	2018	2017
	£	£
Rental receivable	3,199,080	3,249,113
Service charges	169,647	149,478
Revenue grants	8,780,552	8,539,491
Void losses	(261,611)	(283,684)
	<hr/>	<hr/>
	11,887,668	11,654,398

The expenditure and operating surplus from Social Housing activities are equivalent to the amounts in the Income & Expenditure account.

4 Auditor's remuneration	2018	2017
	£	£
Fees payable to the Company's auditor:		
The audit of financial statements of the Company	16,500	15,000
	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

5 Staff costs

	2018 Number	2017 Number
The average weekly number of persons employed during the year (full time equivalents) was:	270	260
	<hr/>	<hr/>
	£	£
Staff costs for the above persons were:		
Wages and salaries	6,762,408	6,376,047
Social security costs	612,783	610,791
Pension costs	104,365	101,573
	<hr/>	<hr/>
	7,479,556	7,088,411
	<hr/>	<hr/>

6 Emoluments of the Board and senior management team

The directors of the Company do not receive any remuneration and the below amounts relate solely to managerial staff considered to be key management personnel.

	2018 £	2017 £
Remuneration paid to key management personnel comprised:		
Gross salary	246,088	245,242
Social security costs	33,960	33,843
Employer's pension contributions	12,265	9,605
	<hr/>	<hr/>
	292,313	288,690
	<hr/>	<hr/>

No remuneration was paid to board members.

	2018 £	2017 £
Highest paid director's aggregate emoluments (excluding pension)	86,385	86,365
	<hr/>	<hr/>
	86,385	86,365
	<hr/>	<hr/>

The Chief Executive is an ordinary member of the pension scheme and no enhancements or special terms apply. There are no other pension arrangements.

The full time equivalent number of staff whose remuneration payable in relation to the period of account fell within the following bands:

	2018 No.	2017 No.
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

7 Interest receivable and similar income	2018	2017
	£	£
Bank interest receivable	44,810	45,615
Charity deposit	1,283	2,084
Dividend from investments	1,435	1,228
	<u>47,528</u>	<u>48,927</u>

8 Investment property	£
Valuation	
At 1 April 2017	-
Transfer from housing properties	1,007,695
Fair value adjustment	699,300
Disposals	-
At 31 March 2018	<u>1,706,995</u>

The valuation of investment properties has been carried out internally by the directors using publicly available market data.

9 Tangible assets - housing properties	Properties	Land	Total
	£	£	£
Cost			
At 1 April 2017	9,629,733	4,814,867	14,444,600
Transfer to investment property	(836,588)	(418,294)	(1,254,882)
At 31 March 2018	<u>8,793,145</u>	<u>4,396,573</u>	<u>13,189,718</u>
Depreciation			
At 1 April 2017	3,699,682	-	3,699,682
Transfer to investment property	(247,186)	-	(247,186)
Charge for the year	<u>585,821</u>	<u>-</u>	<u>585,821</u>
At 31 March 2018	<u>4,038,317</u>	<u>-</u>	<u>4,038,317</u>
Net book value			
At 31 March 2018	<u>4,754,828</u>	<u>4,396,573</u>	<u>9,151,401</u>
At 31 March 2017	<u>5,930,051</u>	<u>4,814,867</u>	<u>10,744,918</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

10 Debtors	2018		2017	
	£	£	£	£
Gross arrears of charges to customers & other statutory bodies	163,967		184,900	
Less: provision for bad debts	(139,986)		(136,249)	
		23,981		48,651
Revenue grants receivable	292,110		349,202	
Less: provision for fees bad debts	(40,982)		(39,428)	
		251,128		309,774
Other debtors		180,422		196,968
		455,531		555,393
11 Cash and cash equivalents		2018		2017
		£		£
Cash at bank and in hand		8,372,859		7,275,976
		8,372,859		7,275,976
12 Creditors		2018		2017
		£		£
Amounts falling due within one year:				
Trade creditors		71,788		64,426
Customers' charges in advance		198,862		214,564
Other creditors		166,155		176,349
Other taxation and social security		150,830		156,836
Accruals and deferred income		3,088,891		5,106,723
		3,676,526		5,718,898
Amounts falling due after more than one year:				
		2018		2017
		£		£
Dilapidations fund		-		914,568
Donation		-		50,000
		-		964,568

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

13 Provisions	Dilapidations provision	Other provisions	Total
	£	£	£
At 1 April 2017	-	4,350,743	4,350,743
Additions	-	651,024	651,024
Utilised	-	(1,122,720)	(1,122,720)
Reclassification from creditors	343,607	3,175,704	3,519,311
	<hr/>	<hr/>	<hr/>
At 31 March 2018	343,607	7,054,751	7,398,358
	<hr/>	<hr/>	<hr/>

14 Unrestricted reserves

Designated reserves

	2017 £	Movements £	2018 £
Hidden home Initiative	935,000	-	935,000
Innovations and service improvements	165,195	-	165,195
Partnerships and alliances	70,000	-	70,000
Furniture and equipment replacements	250,000	-	250,000
	<hr/>	<hr/>	<hr/>
	1,420,195	-	1,420,195
	<hr/>	<hr/>	<hr/>

15 Housing units at end of year – supported housing

	2018 Units	2017 Units
Owned	86	86
Managed	196	196
	<hr/>	<hr/>
	282	282
	<hr/>	<hr/>

16 Operating leases

The Company holds properties and office equipment under non-cancellable operating leases. At 31 March 2018 the Company had the following future minimum lease payments under non-cancellable leases:

	2018 £	2017 £
For leases expiring:		
Within one year	144,720	144,720
In two to five years	450,941	538,661
Later than five years	152,573	209,573
	<hr/>	<hr/>
	748,234	892,954
	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2018 (continued)

17 Financial instruments

	2018 £	2017 £
<i>Equity instruments measured at fair value through the income and expenditure account</i>		
Current asset unlisted investments		
Cash	37	37
Ruffer Total Return Fund	90,603	93,539
Schroder Core UK Equity	70,061	70,936
Neptune Income	86,499	85,376
Matrix New Horizon	-	40,656
	<u>247,200</u>	<u>290,544</u>
<i>Financial assets measured at amortised cost</i>		
Trade and other debtors	323,093	417,668
Cash and cash equivalents	<u>8,372,859</u>	<u>7,275,976</u>
	<u>8,695,952</u>	<u>7,693,644</u>
<i>Financial liabilities measured at amortised cost</i>		
Trade and other creditors	<u>436,805</u>	<u>455,339</u>
	<u>436,805</u>	<u>455,339</u>
<i>The Company's income, expense, gains and losses in respect of the financial instruments are summaries below:</i>		
<i>Interest income and expense</i>		
Total interest income for financial assets at amortised cost	<u>44,810</u>	<u>45,615</u>
	<u>44,810</u>	<u>45,615</u>
<i>Fair value gains and losses</i>		
(Loss)/gain on financial assets (including unlisted investments) measured at fair value through profit or loss		
Current asset unlisted investments	<u>(5,719)</u>	<u>33,872</u>
	<u>(5,719)</u>	<u>33,872</u>

18 Ultimate controlling party

There is no ultimate controlling party.