

Cyrenians (formerly Edinburgh Cyrenian Trust)

Trustees' report and financial statements

31 March 2016

Registered charity number SC011052

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TRUSTEES' REPORT

The Trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2016.

OBJECTIVES AND ACTIVITIES

Until 31 March 2016, Cyrenians operated as an unincorporated Trust, registered charity (SC011052), established in June 1968. The charitable purposes defined by the trust deed were:

- the relief of poverty and need
- the provision of services to and for homeless people
- assistance to charitable groups concerned with helping homeless people
- the provision of schemes & initiatives to promote the better use of human and physical resources to enhance our society

On 18 March 2016, The Office of the Scottish Charities Regulator approved the change of legal status to that of a Scottish Charitable Incorporated Organisation (SCIO), and shortened our name from Edinburgh Cyrenian Trust to Cyrenians. Operationally, the change of legal status from Trust to SCIO took place on 01 April 2016. Cyrenians registered charity number remains unchanged. The charitable purposes have also been updated in the new constitution as follows:

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

Vision, mission and strategic direction

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

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

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

We believe that change begins in the making and maintaining of positive human relationships professionally and personally. We work from a **first principle** of there is no them and us, there is only us. **We never give up**; no one is beyond forgiveness and another chance to change. We believe we all have a past, a present and a future and that everyone who comes to us brings with them their own unique experience.

We make our words real through four interwoven themes:

Family & People

Home & Housing

Work & Skills

Community & Food

Cyrenians has 6 strategic aims for the next five years which form the basis of our response to the challenges we face:

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

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

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

<p>During the year, Cyrenians passed some significant milestones: 3,352 people journeyed with us in their time of need; a further 5,805 people participated in our services, events or training courses and 1,005 volunteers gifted 88,703 hours of their time to us. Cyrenians also became an accredited Living Wage Employer in May 2015.</p>

Family and People

We believe in the importance of supporting individuals and families within their own communities to maintain happy and fulfilled lifestyles and strong, nurturing relationships.

While it is inevitable that conflict can arise, it can be limited or channelled in a positive manner if managed correctly.

Years of experience in this area has resulted in the **Scottish Centre for Conflict Resolution (SCCR)**, our national resource centre which, through its free training, seminars, workshops and online resources, is helping to greatly reduce the number of young people facing homelessness. Formally launched in 2014, and now funded by the Scottish Government's Children, Young People & Families Early Intervention Fund, the SCCR focus is on earlier intervention in relation to increasing skills, knowledge and understanding and does so through a series of events, accredited training, national awareness raising and innovative digital resources. Collaboration and working in partnership is intrinsic to their work:

- 1,291 young people, parents/carers & professionals, attended conflict resolution training, seminars/workshops and conference. This included representatives from 100 organisations across 27 Local Authorities. 85% of attendees confirmed increase in knowledge, skills and increased ability in relation to managing and dealing with conflict
- An increase in website users by 62 %, 17,197 visits. Increased international engagement and reach, with ongoing innovative digital developments showcased at national events
- National campaign finalists in 2 campaigns

Our **Conflict Resolution Services** work directly with families, schools and youth groups to foster respect, the ability to listen and responsibility within relationships. We do this through offering Mediation and Support in Edinburgh, East Lothian and West Lothian for families and young people, landlords and tenants (Edinburgh only). Through a combination of formal mediation, focused 1:1 work, advice and signposting we aim to prevent relationship breakdown that may lead to homelessness. We also deliver tailored Conflict Resolution Workshops in line with Curriculum of Excellence to young people in schools and youth group settings. We work with those involved so that when arguments and conflict occur, people have the skills and confidence to manage them assertively and make positive steps forward. A number of conflict resolution and mediation projects across Edinburgh, East and West Lothian have collectively:

- Supported 187 young people supported to resolve conflict at home
- 75% of them remaining at or returning home, or moving out in a planned way
- 100% recorded improved relationships, increased life skills and/or reduced conflict

Relationships and family life can also be threatened or undermined by addiction even when seeking treatment, particularly if it involves being taken out of the community and away from the family. Our **Bathgate Recovery Service** is an integrated recovery service which offers one to one support, a structured group work programme, and opportunities for peer support at our Recovery Hub Pre Sync 27.

- 198 people supported by our addiction recovery service
- 100% of those supported maintained and progressed in recovery
- 5,152 visits to our recovery hub

For the elderly in our communities loneliness continues to rise and our **West Lothian Befriending Service** helps those who have become isolated within their own homes to become socially connected again and provides support, encouragement and assistance to do this:

- 99 older people received support from the Befriending Service

And for those who experience the greatest exclusion, who face severe and multiple disadvantage, our **Outreach Services** offer support which is fundamentally grounded in the relationship rather than intervention. It is an unfaltering support amid what can be a difficult navigation of the help which is available:

- 27 people helped to tackle severe and multiple disadvantage

Home and Housing

Homelessness does not just encompass people living on the streets. It also includes those sleeping on a friend's sofa, fleeing violence or harassment, living in overcrowded or unsanitary conditions or anyone without a home where they can reasonably be expected to live. We know that homelessness is about much more than a house. With help to navigate options and access the support and opportunities available, people can become far more settled and secure in a home. We believe that if people can avoid becoming homeless in the first place they can avoid all the related hardships and disruption that go along with it for them and their families.

Our **Homelessness Prevention Service (HPS)** does this by tackling the variety of issues which place someone at risk of homelessness and helping households become more resilient to future risks. We are involved in 2 of the 3 consortia commissioned by City of Edinburgh council to provide support and advice, to those at risk of homelessness, across the city. We are the lead partner in the east and south neighbourhood consortium (HPS) and a partner agency in City Centre and Leith neighbourhood (Gateway). During the past year:

- We supported 701 people across both consortia
- 92% of those we supported avoided becoming homeless

Financial problems play a major role in homelessness and we have expanded our **Making Advice Work Service**, (MAW) funded by the Scottish Legal Aid Board, to help people negotiate welfare reform.

- MAW helped access over £435,000 in unclaimed benefits and small grants for 352 people who accessed this service in 2015/16.

Cyrenians Communities, at our Farm and in Edinburgh City project, provide a place to belong for young people who come from a 'tough reality'. More than a roof over their head, the communities provide opportunities for learning and participation. Residents give local knowledge, cultural understanding and their experience of life and what they have been through. Residential volunteers learn how to support people who might have experienced trauma, abuse or neglect and they also bring their own skills which could range from motivation and enthusiasm to art or cooking skills.

- In the past year, 27 young people lived within our Communities
- 67% achieved an accredited qualification

Work and Skills

The prospect of finding work can be a daunting experience for many people. Self-esteem and confidence play an important role, as do an individual's circumstances – whether or not they are in a stable situation and have a suitable place to live. A criminal record can also be a barrier, both when it comes to employment and self-worth.

Our **Key to Potential programme** targets 15½ year-olds who have become disengaged from their schools. Following the principle that prevention is better than cure this programme has encouraged many young people to turn their lives around.

Foundation to Employment focuses on restoring hope and resilience to those who have become distanced from the job market by restoring their self-worth and self-image, and providing them with tailored support and guidance, while **Market Led Training** is a more specific specialised approach working with smaller numbers of people to introduce them to the construction, care and retail sectors.

The additional burden of a criminal record as a barrier to employment is handled by our **Criminal Justice Employability Service** in Falkirk. In addition to practical solutions, it also offers social

interaction in a non-judgemental situation, enabling many people to discover new abilities and renewed confidence in themselves.

One of our most successful partnerships is **the Recruitment and Skills Centre** at Fort Kinnaird. This is at the high end of our preparation for work programme and is a unique business arrangement between private, public and third sectors in which the requirements of the employer and the employee are given equal consideration. The professionalism and respect between these three sectors flows through the job seeking process encouraging the highest standards and ensuring that everyone's needs are met.

Collectively, these services supported those we journey with as follows:

- 839 people moved into work
- 92 employers engaged with our employability service
- 186 people participated in training
- 185 people achieved accredited qualifications
- 45 people received peer support
- 99 people unpaid work placements

Community and Food

Food and nourishment should be a comforting and holistic experience for all of us. At Cyrenians we recognise that having someone to eat with is as important as having something to eat.

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

The **Community Gardens** are sites on NHS owned land at the Royal Edinburgh Hospital and Midlothian Community Hospital that have been developed to support gardening activity involving both hospital communities and their local neighbourhoods, with the aim of promoting health and well-being in a wide variety of ways.

The process of growing and preparing food whether at our **Farm Enterprise** or our **Community Gardens** is also fulfilling, which is why community residents, hospital patients, staff, volunteers and visitors all benefit from the therapeutic value of being outside, getting their hands dirty and experiencing the satisfaction of watching things grow and blossom. For some it is enough just to be able to walk around the garden or sit in the open air at the farm for half an hour.

- 1,901 visitors to our community gardens
- 266 gardens volunteers
- 63 people participating in our 'green learning' courses
- 1,170 veg bags grown and sold
- 365 farm volunteers

Our **Good Food Programme** is a social enterprise that provides opportunities for people and organisations to access food, improve their health and wellbeing, and to develop skills and confidence around cooking, in order to move towards a more settled life through good food.

As a fundamental part of the programme, **FareShare**, an industry trusted system for redistributing surplus product donated by producers and retailers to our membership of community groups, is a bustling hive of activity with staff and volunteers working tirelessly to redistribute all the surplus supermarket food which comes to us:

- Those community projects we supply fed up to 4,500 people per week.

- 277 tonnes of surplus food was redistributed last year

Good Food is also where we make lasting changes through our **Food Education** programmes, teaching about health and hygiene, how to shop, prepare and cook and also how to enjoy a meal in the company of friends.

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

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

- 204 people attended our cooking classes
- 174 people accredited training such as food hygiene certificates

Business Development & Fundraising

Cyrenians continues with the strategy to face austerity measures head on rather than battenning down the hatches.

We recognise that, in order to continue our work, we must increase income from outside the public sector, and to develop collaboration between the third, private and public sectors. In particular we continue to develop our social enterprises and our ability to generate an income stream that is longer term and more within our control.

To further strengthen our Business Development and Fundraising, we appointed a Senior Relationships Manager in July 2016.

Cyrenians rebranded in 2015/16, and successfully launched in October 2015.

In 2016/17 Cyrenians aims to further grow the Charity by expanding FareShare customer base, developing the newly launched Resolution Skills Training social enterprise as well as developing an opportunity for a new Social Enterprise. Further increasing fundraising efforts with a focus on Corporate Partnerships, Individual giving, and Events will also be a key focus.

Volunteering

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

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.

Volunteers worked a total of 88,703 hours in 2015/16. This is the equivalent of 52 full time posts, which boosts our staffing level by almost 50%.

ACHIEVEMENTS AND PERFORMANCE

The table on pages 9 and 10 shows our key strategic priorities for 2015/16 and the many ways in which we achieved what we set out to do.

The next few years will continue to be very challenging. Cyrenians believes that those challenges also bring opportunities to innovate and to bring changes to how services are delivered for and by those most in need. New types of relationships with business and partnerships with the public sector that are not undermined by procurement processes that hinder the kind of collaborative reforms called for by the Christie Commission are key objectives in making the best of these opportunities

The 3rd Sector is beginning to develop a confidence in leading this sense of change rather than responding to it. Cyrenians intend to be at the heart of that leadership.

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

In 2015/16 we achieved....

FAMILY & PEOPLE

Conflict Resolution Services (CRS) – Offering mediation support with 140 positive outcomes achieved (remaining /returning home, improved relationships and reduced conflict).

463 young people attended our workshops in schools and other youth settings which equip them with the skills to identify and deal with conflict in a range of different situations.

We have also been working towards refunding for the Amber project within CRS as well as planning for Amber 10th anniversary celebration later in 2016.

We secured 3 years funding from Scottish Government's Children, Young People & Families Early Intervention Fund for the **Scottish Centre for Conflict Resolution (SCCR)**, up to 31 March 2019.

The SCCR delivered 46 training sessions to over 730 people, 86% reported an increase in their knowledge of family conflict resolution, and 80% felt more confident to be able to deal with conflict.

Having come to the end of the previous funding stream, **West Lothian (WL) Befriending service** secured reduced funding from WL Council to ensure continued delivery whilst having the opportunity to participate in a newly established Public Social Partnership involving a range of delivery partners to develop and redesign services as part of a pilot phase, shaped by local needs and with a more innovative approach. In the year the service supported 99 clients, where 25 volunteers delivered 1,626 hours of volunteering, including telephone calls, home visits, outings and group activities.

Our **Recovery Service** opened its doors to a new recovery hub in Bathgate during the year. We have also developed a community-based recovery programme where 'graduates' of the recovery service support those only beginning their journey. During 2015/16, 100% of the 198 people supported by the service maintained and progressed recovery, and our recovery hub had 5,152 visits.

During 2015/16, our **Outreach service** helped 27 people who experience the greatest exclusion due to severe and multiple disadvantage to access help from the services available to them.

HOME & HOUSING

Homeless Prevention Service During the last year HPS have taken a lead role in the further development of an innovative, neighbourhood based, partnership model of delivering visiting housing support and advice to those at risk of homelessness. This has been done in collaboration with The City of Edinburgh Council and our partners in the voluntary sector. This pilot collaborative approach has led to new partnership working arrangements across the city and has led to an increase of 10% in the number of people we have supported compared to the previous year. Of the 701 people we worked with, 92% avoided homelessness.

Making Advice Work - provided advice to 352 customers on income maximisation related to welfare rights, debt advice, tribunal representation.

Our **Residential Communities** helped 27 young people who would otherwise have been homeless, 67% of whom

In 2015/16 we achieved....

achieved an accredited qualification. We have begun providing placements via self-directed support arrangements (although this is still a fledgling area of income) and have successfully increased our occupancy levels since last year

WORK & SKILLS

Learning and Work

Through our various programmes: **Key to Potential, Foundation to Employment, Market Led Training and our Recruitment and Skills Centre**, Cyrenians worked with our clients to turn negative situations into positive outcomes

Our **Criminal Justice Employability** service in Falkirk offers both practical solutions and social interaction in a non-judgemental situation, enabling many people to discover new abilities and renewed self-confidence. We have grown this service and opportunities for those with a history of offending through our management of the **Falkirk Walled Garden** and the opportunities it offers to those on community payback orders

During 2015/16, across Work and Skills: 186 people participated in training, 839 moved into work, 99 engaged in work experience placements, 92 employers engaged with our employability service, 185 people achieved accredited qualifications and 45 received peer support.

COMMUNITY & FOOD

We successfully secured the funding required to continue the operation of our **Community Gardens** sites and increase the opportunities for hospital patients and other vulnerable groups to benefit from them:

- Mainstream the gardens activities
- Improved infrastructure and facilities
- Increased patient engagement
- Increase educational activities

1,901 people visited our gardens during the year, and 266 volunteered their time.

FareShare expanded into Falkirk, Stirling and the Borders during 2015/16 providing enough to feed 4,500 people each week.

As part of our **food education** programme, 204 people attended our cooking classes and 174 received training such as food hygiene

Following a successful rebranding at the **farm enterprise**, our customer base has grown significantly and our veg bag scheme has gained real momentum. We also built a new storage shed to provide expanded infrastructure to support this business growth. Team challenges increased by over 20%.

Across Business Development & Fundraising:

- Rebranded the Charity and successfully launched in October 2015
- Became Living Wage accredited in May 2015
- Embedded the new fundraising function as a discrete service within the Charity
- Developed and grew our existing Social Enterprises
- Set up a new Social Enterprise to be rolled out early 2016/17: Cyrenians Resolution Skills Training Service

Within Corporate Services:

- We became an accredited Living Wage employer in May 2015.
- We have continued to invest in staff training and development
- We have progressed towards implementing more streamlined systems to support business growth and improved management information

FINANCIAL REVIEW

Results for the year

The results for the year are shown in the financial statements on pages 19-21.

The financial statements are prepared in accordance with the Financial Reporting Standard 102 (FRS102). The transition to FRS102 has resulted in a number of changes in the charity's accounting policies compared to those used when applying previous UK GAAP, and so the financial statements to March 2015 have been re-stated to ensure compliance with FRS102. Full details of this are included in Notes 1 and 2 to the accounts on pages 22-26

A key element of both Cyrenians Corporate Plan and financial strategy is to diversify income streams by growing the organisation, and in particular to increase income generated through social enterprise and fundraising activity and to reduce reliance on public sector funding. In order to progress towards these objectives, Cyrenians has invested in additional resource to enable delivery. These additional costs which, in the short term, have created deficits for the organisation, have been fully budgeted as part of our financial planning for business growth.

Total income for the year amounted to £3,303,010 (2015 restated: £3,268,197). The deficit before actuarial losses/gains is £200,719 (2015 restated: deficit of £60,840). Key factors which impacted these results as well as service/project financial headlines are as follows:

- Preparing for overall business growth in line with our strategic aims contributed significantly to increasing our overall deficit (before actuarial adjustments) from £61,000 to £201,000. In particular:
 - Dev costs accounted for an increase of £80,000, funding feasibility studies to identify opportunities for creative business growth to provide sustainable income streams to support the funding needs of our core services
 - To facilitate future and sustained growth in fundraising, expenditure on raising funds increased from £1,000 in 2015 to £53,000 in 2016, with the majority being an increased staffing resource.
- Scottish Centre for Conflict Resolution secured 3 years re-funding during the year to March 2016 from Scottish Government's Children, Young People and Families Early Intervention Fund, funding the service to March 2019; Year 1 funding is £240,000

The principal funding sources during the year are as follows, and demonstrate that we are progressing towards our objective of funding source diversification:

	<u>2016</u>	<u>2015</u>
Local Authority	51%	53%
Other Public Bodies	19%	22%
Generated Income	9%	8%
Big Lottery Fund	8%	8%
Companies/Trusts	7%	3%
Donations/other	6%	6%

Financial management

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

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

During the year, as part of overall unrestricted spend, the Trustees authorised £22,997 from unrestricted reserves to support central costs attributed to the Community Gardens which had not been externally funded, £17,337 to the Recruitment Skills Centre for outcomes based payments which would not be measured or paid until 2016/17, £5,644 to support central costs attributed to the West Lothian Recovery Service which had not been externally funded, £3,837 to support the Garden co-ordinator project within Falkirk Criminal Justice employability service whilst this project continues to develop and £5,724 across a number of other projects and services where a small portion of central costs had not been funded externally on each. All other charitable activities, including our Social Enterprises, were funded fully from a combination of restricted funding for that activity, project specific income generation and fundraising.

Reserves policy

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

Cyrenians Reserves Policy was updated and approved by Trustees in May 2016. This updated policy includes a formal framework to allow enhanced monitoring and early intervention if required. This framework expresses our approach to determining an appropriate level of reserves. It will be reviewed annually. It has a multi-tier approach with trigger points for action incorporating a RAG warning system

The Trustees consider that the level of unrestricted general funds ("free reserves") at 31 March 2016 of £549,377 (2015: £454,779) are adequate for these purposes.

There is a continued move by funders towards outcomes or results based payments which introduces a higher level of financial risk to the charity. The Trustees are therefore looking to increase the level of "free reserves" (those not committed or invested in fixed assets). This is included in our 5 year rolling corporate Plan; we forecast that the benefits of this, will be seen in 2016/17 and beyond.

The charity does not tender for any contracts where the level of financial risk exceeds the level of free reserves.

The balance on restricted funds at 31 March 2016 was £436,702 (2015: £525,619). This reduction in restricted funds reflects spending of restricted reserves which had been received prior to April 2016 for costs which were incurred during 2015/16.

PLANS FOR FUTURE PERIODS

In 2016/17 we will....

FAMILY & PEOPLE

Conflict Resolution Services – Consolidate existing services, working with our partners and funders to develop and deliver on alternative funding models, celebrate 10th anniversary of Amber in 2016 and secure future funding for Amber project. We also plan to develop our workshops to reach people at an earlier age to strengthen our early intervention work

Build on the significant achievements and track record of the **Scottish Centre for Conflict Resolution (SCCR)**, working towards future sustainability and growth of its work across Scotland.

Having successfully worked through the Public Social Partnership (PSP) process in 2015/16, Cyrenians has

In 2016/17 we will....

become the sole delivery partner, and will deliver an expanded **Older Persons service**, providing support through telephone, short and long term one to one, group work and driving assistance to attend groups. We will continue to work with all partners including West Lothian Council to ensure the service best meets the needs of the ageing population in West Lothian.

Following the success of the West Lothian Service, we secured funding from Big Lottery Fund's Investing in Communities to deliver a similar service in Edinburgh, **Golden Years' Befriending service**. The service will provide a volunteer befriending service providing encouragement and companionship to engage in social, leisure and community activities, including groups run by Golden Years This new service will commence towards the end of 2016.

We will continue to deliver the **Recovery Service** as part of a Public Social Partnership and we will seek funding to create paid peer posts to further develop our West Lothian service.

Increase the number of people with complex needs which we support through our **Outreach project** by securing funding to pilot new areas of intervention and increasing the capacity of our outreach project including:

- Align Outreach Service with Cyrenians Peer Project to create pipeline for those we work with.
- Develop a collaborative approach with external partners to review how we can engage with and support rough sleeper in Edinburgh city centre
- Engage with Inclusive Edinburgh to deliver Test of Change project

HOME & HOUSING

Homeless Prevention Service – Continue delivering on the new pilot delivery model with our partners and City of Edinburgh Council. Build relationships with the Council's new locality managers to further strengthen service delivery. Work with the council and other delivery partners to ensure service provision beyond the pilot period best-suits the needs of those accessing the service.

Making Advice Work – Maintain current funding while developing alternative funding arrangements to expand the service. Continue to develop our staff team to increase the number of people we support and the areas we work in over the coming year.

Within our **Residential Communities**, We will continue to deliver placements via self-directed support arrangements as required and continue to maximise our occupancy levels, limiting void periods.

WORK & SKILLS

Learning and Work

Key to Potential – work with around 70 young people and help at least 80% of them into a positive destination

Foundations to Work – support at least 40 people with complex needs and help at least 80% of those to move along the Edinburgh Employability Pipeline

Market Led Training – provide training and work experience to a minimum of 72 trainees and aim to put at least 65% of them into sustained work

Our **Recruitment Skills Centre** will:

- Increase focus on helping people staying in and progressing in employment
- Further develop links in East Lothian for both jobseekers and job seeking services

Our **Criminal Justice Employability** service will continue to grow our opportunities for those with a history of offending. We will identify new opportunities to work collaboratively created by changes to the Criminal Justice Authorities

COMMUNITY & FOOD

In 2016/17 we will....

Secure ongoing sustainable funding beyond 2016/17 to ensure the operation of our **Community Gardens** sites to maintain and grow opportunities for hospital patients and other vulnerable groups to benefit from them:

- Mainstream the gardens activities
- Improved infrastructure and facilities
- Increased patient engagement
- Increase educational activities

We will consolidate the expanded work of **FareShare** and then continue with growth plans

To maximise opportunity of our **Food Education** service, we will expand our kitchen facilities, and continue to deliver against existing contracts meantime

Farm: Increase and diversify growing capacity at the farm to support continued business growth. Increase number of team challenges by 20%

Across Business Development & Fundraising:

- Appoint a Senior Relationships Manager to strengthen our fundraising team
- Continue to develop and implement a strategy for increased income generation, capitalising on the increased staffing resource recruited during 2015/16
- Through ongoing development, continue to identify opportunities for creative business growth to provide sustainable income streams to support our core services
- Launch the newly created Resolution Skills Training Service

Within Corporate Services:

Continue to invest in our business:

- Continue to recognise and invest in our staff and volunteers, in particular through the opportunities created by Cyrenians partnership with the Open University
- Grow relationships to maximise opportunity
- Continue to assess and develop management systems including internal communications review, implementing new HR software, Information Management software and fundraising/relationship management software
- Continue to upgrade our IT equipment and systems as part of a continuous improvement plan

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 declaration of trust dated 25 April 2001.

With effect from 18 March 2016, our legal status formally changed from an unincorporated Trust to a Scottish Charitable Incorporated Organisation (SCIO). Operationally, the change took place from Trust to SCIO on 01 April 2016. The SCIO's governing document is a Constitution dated 18 March 2016.

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

The Board is the governing body, legally responsible for ensuring that the charity is effectively and properly run. Formal meetings take place every 6 weeks on an annual cycle with an agenda that

reviews all the main strategies in the Corporate Plan and oversees all key financial & organisational matters. The Finance Committee and Remuneration Committee are delegated sub-committees.

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

Risk assessment

The charity has a robust Organisational Risk Management Plan which requires the Trustees to formally examine the major strategic, business and operational risks which the Trust faces on an annual basis. The last formal risk review was in May 2016. Between the formal Trustee risk reviews, the Finance Committee discusses risks at its quarterly meetings and reports back any significant new risks to the Trustees. Risks are also discussed by the Leadership Team at its regular meetings and any new risks reported to Trustees. The Trustees confirm that systems have been established to manage all risks identified.

REFERENCE AND ADMINISTRATIVE DETAILS

Until change of legal status in March 2016, the registered charity name was Edinburgh Cyrenian Trust. On change of legal status to SCIO, the registered name was shortened to Cyrenians.

The Charity's registered number with the Office of the Scottish Charity Regulator is SC011052, and its head office is at Norton Park, 57 Albion Road, Edinburgh, EH7 5QY.

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

Ian Macmillan	(Chair)	Kirsty Bathgate
Isobel Wylie	(Secretary)	Pete Flockhart
Ciaran McGuigan	(Treasurer)	Elinor Jayne
Carolyn Girvan		Luke Jeavons
John Lawrie		Pam Peters
Gillian Kynoch		John Wood

Key Management Team

Ewan Aitken (CEO)
Amy Hutton
Ian Grimwade
Jane Saren
Kathryn Reilly
Rachael Wallace-Lane

Bankers

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

Solicitors

Shepherd & Wedderburn WS
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ET

Auditor

Scott Moncrieff
Exchange Place 3
Semple St
Edinburgh
EH3 8BL

Insurance Brokers

Bluefin
1 Pinkhill
Edinburgh
EH12 7BA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to auditor

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

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

X 

Ian Macmillan
Chair

Norton Park
57 Albion Road
Edinburgh
EH7 5QY
06 September 2016

Cyrenians
Independent Auditor's Report to the Trustees
For the year ended 31 March 2016

We have audited the financial statements of Cyrenians for the year ended 31 March 2016 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes. 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'.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of trustees' responsibilities set out on page 16, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Cyrenians
Independent Auditor's Report to the Trustees
For the year ended 31 March 2016**

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) requires us to report to you if, in our opinion:

- The information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- Proper accounting records have not been kept; 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.

Scott - Moncrieff

**Scott-Moncrieff
Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL**

6 September 2016

STATEMENT OF FINANCIAL ACTIVITIES
Incorporating an Income & Expenditure account for the year ended 31 March 2016

	Note	Restricted Funds	Unrestricted Designated Funds	Unrestricted General Funds	Total Funds	2015
		£	£	£	£	£
<i>Income and Endowments from:</i>						
Donations		88,753	-	86,056	174,809	175,740
Charitable activities	4	2,902,464	-	217,353	3,119,817	3,084,334
Other Trading Activities		-	-	3,652	3,652	
Investments		-	-	3,051	3,051	7,221
Other		-	-	1,681	1,681	902
Total		2,991,217	-	311,793	3,303,010	3,268,197
<i>Expenditure on:</i>						
Raising funds	6	-	-	52,798	52,798	1,039
Charitable activities	7	3,212,377	-	222,786	3,435,163	3,320,234
Other		-	474	15,294	15,768	7,764
Total	8	3,212,377	474	290,878	3,503,729	3,329,037
Net (expenditure)/income		(221,160)	(474)	20,915	(200,719)	(60,840)
Transfers between funds	22	132,243	(182,926)	50,683	-	-
Net (expenditure)/income before other recognised gains and losses		(88,917)	(183,400)	71,598	(200,719)	(60,840)
Actuarial gains/(losses) on defined benefit pension schemes		-	-	376,000	376,000	(101,000)
Loss on asset ceiling		-	-	(133,000)	(133,000)	-
Net movement in funds		(88,917)	(183,400)	314,598	42,281	(161,840)
Total funds brought forward		525,619	415,634	234,779	1,176,032	1,337,872
Total funds carried forward		436,702	232,234	549,377	1,218,313	1,176,032

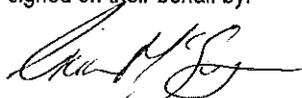
The notes on pages 22-38 form part of these financial statements.

BALANCE SHEET
as at 31st March 2016

	Note	£	2016 £	£	2015 £
Fixed Assets					
Tangible assets	12		220,195		240,347
Investments	13		100		100
Current Assets					
Debtors	14	439,735		627,806	
Cash at bank and building society	15	761,558		701,090	
Cash in hand		4,687		2,621	
			1,205,980	1,331,517	
Creditors: amounts falling due within one year	16	(207,962)		(175,932)	
			998,018	1,155,585	
Net current assets			998,018	1,155,585	
Total assets less current liabilities			1,218,313	1,396,032	
Defined benefit pension scheme liability	19		-	(220,000)	
Total net assets			1,218,313	1,176,032	
The funds of the charity:					
Restricted income funds	21		436,702		525,619
Unrestricted designated funds	21	232,234		415,634	
Unrestricted general funds	21	549,377		454,779	
Pension reserve	19		-	(220,000)	
			781,611	650,413	
Total unrestricted funds			781,611	650,413	
Total charity funds			1,218,313	1,176,032	

The notes on pages 22-38 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustees on 06 September 2016 and signed on their behalf by:



Ciaran McGuigan
Treasurer



Isobel Wylie
Secretary

STATEMENT OF CASHFLOWS
For the year ended 31st March
2016

	<i>Note</i>	2016	2015
	£	£	£
Net income/(expenditure) for the year (as per SOFA)		(200,719)	(23,840)
Adjustments for:			
Defined benefit pension		23,000	(35,000)
Depreciation charges		24,043	28,753
Bank interest		(3,051)	(7,221)
Loss on the sale of fixed assets		2,676	508
Decrease/(increase) in debtors		188,071	(150,055)
Increase/(decrease) in creditors		32,030	(71,646)
Net cash provided by/(used in) operating activities		66,050	(258,501)
Cash flows from investing activities			
Bank interest		3,051	7,221
Proceeds from sale of fixed assets		1,083	292
Purchase of fixed assets		(7,650)	(42,277)
Net cash used in investing activities		(3,516)	(34,764)
Change in cash and cash equivalents in the year		62,534	(293,265)
Cash and cash equivalents at the beginning of the year		703,711	996,976
Cash and cash equivalents at the end of the year	15	766,245	703,711

The notes on pages 22-38 form part of these financial statements.

NOTES

(forming part of the financial statements)

1 Summary of significant accounting policies

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

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

1.1 Basis of preparation

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

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

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and the Charities Act 2011 and referred to below as "previous UK GAAP". The financial effects of the transition to FRS102 are set out in note 2 below.

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 3.

1.2 Going Concern

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

1.3 Income recognition

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

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

NOTES (continued)

Accounting policies (continued)

1.3 Income recognition (continued)

Donated facilities and services are recognised in income when received and are valued at the amount payable in the open market for an alternative item that would provide an equivalent benefit to the service donated. An equivalent amount is recognised as an expense. The contribution of unpaid general volunteers is not recognised as income due to the absence of a reliable measurement basis.

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

1.4 Funds

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

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

1.5 Tangible Fixed assets

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

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

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

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

1.6 Leases

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

1.7 Pensions

The charity has both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate fund. The charity has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an

NOTES (continued)

Accounting policies (continued)

1.7 Pensions (continued)

Employee will receive on retirement, usually dependent on one or more factors such as age, years of service with the charity and compensation levels.

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

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

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

1.8 Recognition and allocation of resources expended

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

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

1.9 Taxation

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

1.10 Financial assets and liabilities

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

NOTES (continued)

Accounting policies *(continued)*

1.10 Financial assets and liabilities *(continued)*

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.

NOTES (continued)

2 Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the charity's first financial statements that comply with FRS102. The charity's date of transition to FRS102 is 1 April 2014. The charity's last financial statements prepared in accordance with previous UK GAAP were the year ended 31 March 2015.

The transition to FRS102 has resulted in a number of changes in the charity's accounting policies compared to those used when applying previous UK GAAP.

The following explanatory notes to the financial statements describe the differences between the funds and income and expenditure presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 March 2015 (ie comparative information), as well as the funds presented in the opening statement of balance sheet (ie at 1 April 2014). It also describes the changes in accounting policies made on first-time adoption of FRS 102.

In the table below, the movement in funds determined in accordance with the FRS 102 is reconciled to funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102) and 31 March 2015.

At 1 April 2014:	Note	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Total income		3,267,420	-	3,267,420
Total expenditure		(2,990,137)	-	(2,990,137)
Net (expenditure)/income		277,283	-	277,283
Actuarial gains/(losses) on defined benefit pension schemes		(91,000)	-	(91,000)
Net movement in funds		186,283	-	186,283

At 31 March 2015:		As previously stated £	Effect of transition £	FRS 102 (as restated) £
Total income	(a)	3,300,197	(32,000)	3,268,197
Total expenditure	(a)	(3,324,037)	(5,000)	(3,329,037)
Net (expenditure)/income		(23,840)	(37,000)	(60,840)
Actuarial gains/(losses) on defined benefit pension schemes	(a)	(138,000)	37,000	(101,000)
Net movement in funds		(161,840)	-	(161,840)

- (a) Recognition of the adjustments to the defined benefit pension scheme have been restated under FRS 102.

NOTES (continued)

3 Critical judgements and estimates

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

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

4 Incoming resources from charitable activities

	Unrestricted			Total Funds	2015 £
	Restricted Funds	Designated Funds	General Funds		
	£	£	£		
Home and housing	897,450	-	-	897,450	893,907
Family and people	1,111,034	-	600	1,111,634	1,077,094
Work and skills	487,205	-	560	487,765	486,331
Community and food	342,525	-	184,092	526,617	588,754
Development of new charitable activities	64,250	-	-	64,250	8,750
Letting of Non-Investment Property	-	-	32,101	32,101	29,499
	2,902,464	-	217,353	3,119,817	3,084,334

5 Grants

Included in charitable activities are the following government grants:

Government Body	Nature of Award	2016 £	2015 £
Third Sector Early Intervention Fund	Scottish Centre for Conflict Resolution	240,670	282,357
Scottish Ministers – Welfare Division	Fareshare food redistribution	69,378	33,894
Scottish Ministers – Children & Families	Voluntary Sector Development Fund	4,600	-
Community Jobs Scotland	Traineeships	12,562	22,959
Scottish Legal Aid Board	Making Advice Work	21,459	20,985
Enterprise Ready Fund	Farm expansion	-	71,672
Flexible Support Fund (DWP)	Market Led Training	-	18,994
		348,669	450,861

NOTES (continued)

5 Grants (continued)

Cyrenians places volunteering at the heart of its purpose and activities. We are committed to ensuring that local people have the opportunity to volunteer to help address the needs of their community. Over several years the charity has significantly increased the number and variety of volunteering roles and achieves continuous improvement in the value of volunteering to the volunteers themselves, to the community (including businesses) and to the charity. Volunteers worked a total of 88,703 hours in 2015/16. This is the equivalent of 52 full time posts, which boosts our staffing level by almost 50%.

Donated goods, facilities and services not recognised as income amount to £3,512 in 2015/16 (gifts in kind)

6 Expenditure on raising funds

	Unrestricted			Total Funds	2015 £
	Restricted Funds	Designated Funds	General Funds		
	£	£	£		
Fundraising staff costs	-	-	42,261	42,261	1,039
Events costs	-	-	7,937	7,937	-
Database development	-	-	2,600	2,600	-
	-	-	52,798	52,798	1,039

7 Expenditure on charitable activities

	Unrestricted			Total Funds	2015 £
	Restricted Funds	Defined Benefit Pension Adjustment	General Funds		
	£	£	£		
Home and housing	903,914	5,047	-	908,961	894,901
Family and people	1,146,731	8,322	12,698	1,167,751	1,252,770
Work and skills	538,581	643	4,230	543,454	481,918
Community and food	569,182	816	90,141	660,139	657,309
Development of new charitable activities	53,969	172	90,380	144,521	29,849
Letting of Non-Investment Property	-	-	10,337	10,337	3,488
	3,212,377	15,000	207,786	3,435,163	3,320,235

NOTES (continued)

8 Support Costs

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

	Management & strategic development	Finance, HR & IT	Governance	Other	Total support	Direct costs	Total costs
	£	£	£	£	£	£	£
Home and housing	29,469	41,341	16,421	12,262	99,493	809,468	908,961
Family and people	37,795	53,022	21,061	15,725	127,603	1,040,148	1,167,751
Work and skills	16,950	23,778	9,445	7,052	57,225	486,229	543,454
Community and food	21,514	30,182	11,988	8,952	72,636	587,503	660,139
Develop new charitable activities	49,714	6,366	2,529	1,887	60,496	84,025	144,521
Let non-Investment Property	-	-	-	-	-	10,337	10,337
Raising funds	-	-	-	-	-	52,798	52,798
Other	-	-	4,214	-	4,214	11,554	15,768
	155,442	154,689	65,658	45,878	421,667	3,082,062	3,503,729

9 Governance costs

	2016	2015
	£	£
Audit fees	6,911	7,072
Legal fees / SCIO	4,214	6,458
Staff and office costs attributed to governance	53,995	47,671
Trustee training	538	-
	65,658	61,201

10 Transactions with related parties

During 2014/15, Fareshare (Registered Charity No. 1100051) was awarded a grant from the Scottish Government of up to £500,000 for increasing the size of operations in Scotland. The agreed spend from the grant includes a new post, Head of Fareshare Scotland, to which Gillian Kynoch, a Trustee of Cyrenians was appointed. The grant award also specifies an allocation of £92,022 to Cyrenians for expansion of our surplus food delivery operations, which was increased to £103,255 during the year. During 2014/15 Cyrenians claimed £33,894 of the grant of which £16,565 was paid during 2015/16. The balance of £69,361 was claimed and received during 2015/16.

There were no other related party transactions during the year.

NOTES (continued)

11 Employee benefit expenses

The average monthly number of staff employed by the Trust during the year ended 31 March 2016 was 111 (2015: 105) of whom 105 worked on direct charitable activities and 7 provided head office support.

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

	2016	2015
	£	£
Salaries	2,232,930	2,031,930
Social security costs	156,971	151,034
Employer contributions to defined contribution pension schemes	84,447	56,049
Operating costs of defined benefit pension schemes	50,562	50,634
Agency staff/self-employed	20,810	30,944
	<u>2,545,720</u>	<u>2,320,591</u>

The key management personnel of Cyrenians comprise the Chief Executive Officer, Head of Finance and Corporate Services, Head of Business Development, Heads of Early Intervention (job share) and Head of Progression. The total amount of remuneration and benefits received by its key management personnel for their services to the charity was £257,899 (2015: £231,794). Note that Head of Business Development started during 2015, hence the increase year on year.

No Trustees were remunerated nor received any other benefits from an employment with the charity during the year (2015: none).

No trustee expenses were incurred during the year (2015: £nil)

The Trust had one employee who meets the definition of a high earner; and had emoluments in the range £70,000 - £79,999 (2015: one high earner).

NOTES (continued)

12 Tangible fixed assets

	Heritable Property £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2015	243,513	132,750	99,702	475,965
Acquisitions	-	7,650	-	7,650
Disposals	-	-	(59,067)	(59,067)
At 31 March 2016	<u>243,513</u>	<u>140,400</u>	<u>40,635</u>	<u>424,548</u>
Depreciation				
At 1 April 2015	77,845	74,469	83,304	235,618
Charge for year	3,748	16,484	3,811	24,043
Disposals	-	-	(55,308)	(55,308)
At 31 March 2016	<u>81,593</u>	<u>90,953</u>	<u>31,807</u>	<u>204,353</u>
Net Book Value				
At 31 March 2016	<u>161,920</u>	<u>49,447</u>	<u>8,828</u>	<u>220,195</u>
At 31 March 2015	<u>165,668</u>	<u>58,281</u>	<u>16,398</u>	<u>240,347</u>

All assets are held for charitable purposes.

13 Investments

	2016 £	2015 £
Investment in Subsidiary undertaking	100	100

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

14 Debtors

	2016 £	2015 £
Trade debtors	156,532	156,586
Prepayments & accrued income	274,418	460,458
Other debtors	8,785	10,762
	<u>439,735</u>	<u>627,806</u>

15 Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	446,947	386,606
Notice deposits	319,298	317,105
Total cash equivalents	<u>766,245</u>	<u>703,711</u>

NOTES (continued)

16 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	37,205	48,315
Accruals and deferred income	80,132	65,885
Taxation and social security	54,724	44,146
Other creditors	35,901	17,586
	<u>207,962</u>	<u>175,932</u>

17 Deferred income

	2016	2015
	£	£
Balance as at 1 April	41,683	92,593
Amounts released in relation to previous years	(33,346)	(92,593)
Income deferred in the year	58,940	41,683
At 31 March	<u>67,277</u>	<u>41,683</u>

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

18 Financial assets and liabilities

	2016	2015
	£	£
Financial assets at cost	1,197,318	1,323,873
Financial liabilities at cost	(85,946)	(90,102)
	<u>1,111,372</u>	<u>1,233,771</u>

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

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

NOTES (continued)

19 Defined Benefit Plan

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

A valuation of this defined benefit pension fund is carried out triennially; the most recent formal valuation of the fund was at 31 March 2014, by Hymans Robertson, independent actuaries. Liabilities are valued on an actuarial basis using the projected unit credit method, which assess the future liabilities of the fund discounted to their present value. This actuarial valuation forms the basis of contribution rates. The employer contribution rates for the period from 1 April 2015 to 31 March 2018 are set at 22.3% of gross pay (the previous contribution rate which applied in 2014/15 was 19.4% with an additional annual fixed sum of £15,800 towards the past service deficit). The next full actuarial valuation will be as at 31 March 2017.

Employer contributions to the Lothian Pension Fund during the year amounted to £35,562 (2015: £45,634).

Explanation of amounts in the financial statements

Amounts recognised in the balance sheet at 31 March 2016	Value at 31 March 2016	Value at 31 March 2015
	£000	£000
Fair value of assets	2,544	2,406
Present value of funded obligations	(2,411)	(2,626)
Surplus/(deficit)	133	(220)
Asset ceiling loss	(133)	-
Net defined benefit liability at 31 March 2016	-	(220)

Amount recognised in the statement of financial activities over the year	31 March 2016	31 March 2015
	£000	£000
Current service cost	49	43
Interest on liabilities	85	95
Interest on assets	(77)	(90)
Total	57	48

NOTES (continued)

19 Defined Benefit Plan (continued)

Reconciliation of Assets and Defined Benefit Obligation

The change in the assets over the period was:

	31 March 2016	31 March 2015
	£000	£000
Fair value of assets at the beginning of the period	2,406	2,073
Interest on assets	77	90
Participants contributions	9	9
Company contributions	34	46
Benefits paid	(24)	(23)
Return on plan assets less interest	42	211
Fair value of assets at the end of the period	2,544	2,406

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

	31 March 2016	31 March 2015
	£000	£000
Defined Benefit Obligation at the beginning of the	2,626	2,190
Service costs	49	43
Interest costs	85	95
Participant contribution	9	9
Benefits paid	(24)	(23)
Experience (gain)/loss on defined benefit obligation	(46)	(113)
Changes in demographic assumptions	-	68
Changes to financial assumptions	(288)	357
Defined benefit obligation at the end of the period	2,411	2,626

Assets

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

Asset Category

	31 March 2016	31 March 2015
Equities	67%	69%
Bonds	20%	17%
Property	9%	8%
Cash	4%	6%
Total	100%	100%

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

Actuarial assumptions

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

	31 March 2016	31 March 2015
Discount rate	3.5% pa	3.2% pa
Future salary increases	4.2% pa	4.3% pa
Future pension increases	2.2% pa	2.4% pa

NOTES (continued)

19 Defined Benefit Plan (continued)

Mortality

Year to 31 March 2016

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2012 model assuming current rates of improvement have peaked and will converge to a long term rate 1.25% p.a.

	Males	Females
Current pensioners	22.1 years	23.7 years
Future pensioners	24.2 years	26.3 years

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

Mortality assumptions are identical to those used in the previous accounting period.

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

20 Defined Contribution Plan

Since 1 January 2007 the Trustees have closed membership to the Lothian Pension Fund to new staff. Since that time all staff who are not members of the Lothian Pension Fund have been offered membership of a stakeholder pension scheme with Standard Life, which is a defined contribution scheme with employer contributions of between 6% and 12% subject to employee contribution of 6%. Auto-enrolment into the Standard Life scheme commenced on 1 October 2014 with employer contributions of 1%, but all staff continuing to be offered enhanced employer contributions under the same terms as the original stakeholder scheme. Employer contributions to the Standard Life scheme during the year amounted to £84,447 (2015: £56,049).

21 Analysis of net assets among funds

The fund balances at 31 March 2016 are represented by:

	Unrestricted			Total	2015
	Restricted	Designated	General		
	Funds	Funds	Funds	Funds	
	£	£	£	£	£
Fixed assets	58,375	161,920	-	220,295	240,447
Net current assets	378,327	70,314	549,377	998,018	1,155,585
Net pension liability	-	-	-	-	(220,000)
	436,702	232,234	549,377	1,218,313	1,176,032

NOTES (continued)

22 Funds

	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Other gains/(losses) £	Balance at end of year £
<u>Restricted Funds</u>						
Home and housing	172,724	897,651	(903,914)	2,724	-	169,185
Family and people	221,083	1,116,070	(1,146,731)	1,055	-	191,477
Work and skills	74,692	495,401	(538,581)	24,174	-	55,686
Community and food	48,370	417,845	(569,182)	104,290	-	1,323
Development of new charitable activities	8,750	64,250	(53,969)	-	-	19,031
Sub total restricted	525,619	2,991,217	(3,212,377)	132,243	-	436,702
<u>Unrestricted Designated Funds</u>						
Properties	190,668	-	-	(3,748)	-	186,920
Enterprise development	179,178	-	-	(179,178)	-	-
Conflict Resolution development	13,500	-	-	-	-	13,500
Software Purchases	24,000	-	-	-	-	24,000
Des Ryan sports fund	5,925	-	-	-	-	5,925
Leslie Sorrie memorial fund	2,363	-	(474)	-	-	1,889
Sub total designated	415,634	-	(474)	(182,926)	-	232,234
Unrestricted General Funds	454,779	311,793	(290,878)	50,683	23,000	549,377
Pensions reserve	(220,000)	-	-	-	220,000	-
Sub total unrestricted	650,413	311,793	(291,352)	(132,243)	243,000	781,611
Total Reserves	1,176,032	3,303,010	(3,503,729)	-	243,000	1,218,313

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.

Unrestricted income has been utilised in 2015/16 to the extent that restricted income was insufficient to cover the full cost of delivering the Good Food programme (£60,804), Cyrenians Farm (£21,784), Community Gardens (£21,701) and Recruitment Skills Centre (£17,337) during the year.

The Properties Fund represents the net book value of the Trust properties. Each year an amount equal to the depreciation charge is released. An additional £25,000 is designated within the Properties Fund for upgrades to the property at Crichton Place, Edinburgh which are planned for 2016/17.

The Enterprise development fund was undesignated by the Trustees as at 31 March 2016. Development of new charitable activities is fully budgeted as part of the planning process and it is no longer considered appropriate to designate funds separately for this purpose.

Income received from delivery of Conflict Resolution training has been designated for future development and delivery of conflict resolution services by Cyrenians. Spend is anticipated during 2016/17.

The charity plans to purchase new software to support business development. The Trustees have designated £24,000 for this purpose.

NOTES (continued)

22 Funds (continued)

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

The Leslie Sorrie memorial fund was set up to commemorate a former employee of the charity. Small welfare grants of up to £100 are paid out to clients engaged in the charity's services. A total of £474 was paid out to clients during the year.

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

	Balance at 1 April 2015 £	Income £	Expenditure £	Balance at 31 March 2016 £
Bank of Scotland (Good Food)	-	5,000	(5,000)	-
Big Lottery Fund Grant (Changing Lives)	79,723	66,222	(84,349)	61,596
Big Lottery Fund Grant (Conflict Resolution)	101,718	192,233	(189,463)	104,588
Lankelly Chase Foundation	46,080	48,000	(54,438)	39,642
NHS Lothian (Community Gardens)	-	49,500	(49,500)	-
NHS Lothian (Good Food Programme)	-	25,500	(25,500)	-
RS Macdonald Charitable Trust (Conflict Resolution)	665	15,000	(15,665)	-
Third Sector Early Intervention Fund (Scottish Centre for Conflict Resolution)	-	240,670	(240,670)	-
West Lothian Council	11,111	386,157	(373,021)	24,248
West Lothian Regeneration Fund (Farm)	18,775	(10,064)	(8,711)	-

23 Operating Leases

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

	2016 £	2015 £
Not later than one year	59,489	50,450

24 Events after the reporting period

On 18 March 2016, The Office of the Scottish Charities Regulator approved the change of legal status to that of a Scottish Charitable Incorporated Organisation (SCIO), and shortened our name from Edinburgh Cyrenian Trust to Cyrenians. Operationally, the change of legal status from Trust to SCIO took place on 01 April 2016. The Trust will be wound up in 2016/17.

Cyrenians signed partnership agreements with Queen Margaret University, Edinburgh Rugby, JP Morgan and Mark Greenaway. These agreements form new models of corporate partnerships with clear outcomes framed by a parity of esteem between peers

NOTES (continued)

25 2015 Comparative statement of financial activities

	Unrestricted			Total Funds
	Restricted Funds	Designated Funds	General Funds	
<i>Income from:</i>	£	£	£	£
Donations	90,745	-	84,995	175,740
Charitable activities	2,850,239	107,356	126,739	3,084,334
Other Trading Activities	-	-	-	-
Investments	-	-	7,221	7,221
Other	-	117	785	902
Total	2,940,984	107,473	211,740	3,268,197
<i>Expenditure on:</i>				
Raising funds	-	-	1,039	1,039
Charitable activities	3,124,292	-	195,942	3,320,234
Other	-	427	7,337	7,764
Total	3,124,292	427	204,318	3,329,037
Net (expenditure)/income	(183,308)	107,046	15,422	(60,840)
Transfers between funds	50,241	45,252	(95,493)	-
Net (expenditure)/income before other recognised gains and losses	(133,067)	152,298	(80,071)	(60,840)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	101,000	101,000
Net movement in funds	(133,067)	152,298	(181,071)	(161,840)