

cyrenians

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

MARCH 2021

CONTENTS

Trustees' report	1
Objectives	1
This is who we are	2
This is what we do	4
These are the challenges we face	9
Investing to meet these challenges	10
Our Teams, Projects and Places	11
Our Work in Numbers	14
Our Financial and Legal Report	17
Reference and administrative details	20
Statement of Trustees' Responsibilities	21
Statement of disclosure of information to auditor	21
Independent auditor's report to the Trustees of Cyrenians	22
Statement of financial activities	26
Balance sheet	27
Statement of Cashflow	28
Notes	29

TRUSTEES' REPORT

The Trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2021.

OBJECTIVES

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

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

Vision, mission and strategic direction

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

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

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

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

Our person-centred work is always evolving; reflecting and supporting the changes we see within the community on both a local and national scale. Our current 5-year plan has 5 strategic aims which shape the direction of our organisation and which builds on our resilience, allowing us to continue supporting those who need us:

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

THIS IS WHO WE ARE

Cyrenians was established over 50 years ago when a small group of concerned citizens, driven by a desire to support their community, did the most extraordinary thing:

They purchased a large and dilapidated house in a central run-down part of the city and brought volunteers together with a group of men who had experienced long-term homelessness and had lost hope in existing systems of support. Under its roof they lived together as equals, sharing the daily work, and learning from each other's experience. It was not only essential shelter, but a daring and unheard-of experiment in therapeutic communal living. And it worked. It helped change those men's lives, ended their cycles of homelessness and dependence, and supported them to find their own way in the world.

Today we are much larger. We still address the causes and consequences of homelessness - in all its forms and in **seven local authorities** across south-east and central Scotland, as well as a number of Scotland-wide projects.

We still own that same large house and we still hold those core values in our heart. We still learn every day from the lived experience of homeless people. We know that within equal, trusting, tolerant relationships, free from judgement or patronage, right and good things begin to happen. We engage with the person before the problem, and when people need assistance to change and step out on their own journey, we provide it - side by side.

Our approach works. **We supported 13,398 people when they needed us last year.**

We don't ask those who need our support to come to us; we go to them. We go onto the streets and into homes, to prisons, hospitals, workplaces. We open the doors to our communal houses, our kitchens and the gates to our gardens. We meet people where they are and help them towards where they want to be. We are front line, face to face, hand in hand, day after day. **And that front line is where 87% of donations go.**



Our people are still the heart and essence of who we are.

Our volunteers are essential to our work. Each of our **1147 volunteers, who gifted us over 70,000 hours last year**, helps shape the way we do things. From residential workers to volunteer drivers, from gardeners to administrative workers they make our work possible; their diverse skills, experience and lives enrich Cyrenians as a whole. We couldn't do our work without them.

Our staff inhabit the work space between the personal and professional. It is a difficult art to learn. All our **170 staff** understand how important it is that as individuals and as an organisation we acquire the skills, understandings and resources to underpin our personal resilience and to protect the wellbeing of ourselves, our organisation and our community.

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



As part of our commitment to our people, we have the following organisational accreditations:

- Scottish Living Wage accredited employer
- LGBT Charter Mark accredited
- Trauma-informed workplace and way of working, supported by NHS Scotland
- Fundraising Guarantee

THIS IS WHAT WE DO

There are many ways for people to fall into the catastrophe of homelessness. All those on the edge of being excluded from home, family, community or work are at risk. Too many are already there. That's where we work, knowing there can be no 'one size fits all' and knowing everything is interlinked. Building and sustaining trusting communal and personal relationships is at our core and a constant aim. We believe the best way of providing support is to build trusted relationships and let those we support decide what success looks like.



Home

We give shelter and provide homes

This is the bedrock of what we do.

Our five **residential communities** in and around Edinburgh, the latest of which we opened during the pandemic to support unaccompanied minors, are thriving homes where volunteers live alongside people who've been homeless. For many it will be the first time they have engaged with someone who "chooses to be there" rather than a paid member of staff. This creates a fresh dynamic, a new way of engaging with others that fosters trust and respect. It also supports the growth of vital life and work skills essential to moving on to an independent home of their own one day.

Our ground-breaking **Housing First initiative** in Edinburgh and West Lothian celebrated its second anniversary. It flips current practice on its head. Working with partners, we provide a permanent and stable home as the first response, not the last response, to the kind of homelessness caused or aggravated by complex personal needs. It is a real attempt at system change and is being adopted across Scotland and we were privileged to lead the consortium of 7 charities doing this in Edinburgh.

Our **outreach services** are at the sharp end of homelessness. We call it "assertive outreach" because we don't wait for people who are rough sleeping to come to us - we go to where they are: on the streets, in hostels, in temporary B&B's, anywhere. Often, those we meet with have had negative experiences of support services, so we make sure each individual shapes how we support them. Our approach is flexible, patient and there are no time limits – our goal is to build a trusted relationship so each person can decide their next step themselves. Our **Homeless Navigator Project**, guiding street sleepers through complex systems of support, needs determination, consistency and tolerance and was recognised as European best practice in 2019.

We all need thoughtful wider connections if policy and practice are to improve and develop. **All in For Change** is a unique Scotland-wide project that brings together the lived experience of

homelessness with that of front-line staff, academics and professionals to shape policy. The **Scottish Frontline Network**, supported by St Martins In the Field, provides training and support for workers from many organisations and shapes the public narrative around the reality of working on the frontline of homelessness.



Relationship breakdown is the leading cause of youth homelessness. Our award-winning **mediation services** help young people and their families to better understand and resolve conflict and relationship breakdown, where possible before the crisis point. We help families rebuild those strong and respectful relationships at the heart of successful and supportive family life. The teenage years can be particularly difficult for some young people and our conflict resolution workshops help them communicate their needs, understand their emotional responses and improve their relationships at school, at home and in their community.

This year we embarked on an ambitious new national service - **Keeping Families Together**. It extends our mediation services to young people in Scotland's secure units and their families

All **families of prisoners** can face the threat of relationship breakdown leading to homelessness. They might feel stigmatised, overwhelmed, confused, angry, isolated or ashamed. It is difficult managing a relationship with a loved one in prison, but doing so is vital for a successful return to home, community and family. Our staff and volunteers at **HMP Addiewell Visitor Centre** offer safe, honest, non-judgemental comfort and practical support to families over issues ranging from securing income support to childcare to navigating the prison system.

We share our knowledge and experience on a national, and increasingly global, level through our **Scottish Centre for Conflict Resolution** providing innovative digital psycho-educational resources and online training and events for young people, parents/carers and professionals.

Veterans and their families, as they leave the strong community of the armed forces, can fall into homelessness through relationship breakdown. Our **Live Life** veterans project offers our mediation and art therapy expertise, along with support from seven partner organisations, to reduce the impact of trauma and consequent stress on veterans and their families. We find honest mediated family conversations help support and improve communication through trying times and strengthen family relationships. During Covid-19 we also offered opportunities to cook together online and offered Family events at our Farm. And these were so successful we will keep doing it once the pandemic is over.



Belonging to a community supports our strength and resilience. Deprived of community, people can fall 'through the gaps' - and be at greater risk of homelessness. All our projects build community and nurture relationships to give people the ability and information to create the change they want.

People involved in the justice system can experience stress, stigma or anxiety which makes employment hard to secure or maintain and subsequently places them at a greater risk of homelessness. We provide space and support where people can build relationships, gain confidence, adopt a healthy lifestyle and plan for a more settled and positive future. Our **Walled Garden** in Falkirk offers opportunities for local volunteers to collaborate with people involved in the justice system within our gardening programme, providing benefits to the local area as well as to those individuals, connecting what we do to the community they are becoming a part of. To provide further support for those exiting the Justice system in Falkirk, we also bring together those whose offences have made it hard for them to gain paid work with the local employers able to provide it.

We know too that when **older people** are alone and isolated from communal connections their ability to live independently in their own homes can be diminished, which can lead to homelessness. In our Edinburgh and West Lothian projects, known as **Golden Years** and **OPAL** respectively, we offer older people ways to build friendships and a sense of community. Volunteers offer in-person and telephone befriending, communal lunches, group events, care respite, the learning of new skills and practical and emotional support for people struggling with poor health or low confidence.



Work

We encourage learning and map routes into work

To thrive, we all need a sense of purpose and, where we can, the ability to support ourselves through work.

Young people whose education was disrupted or ended early are often at risk of unemployment and then homelessness. For those who need to overcome isolation or poor mental health we have **Creative Natives** - an art and design studio offering a safe learning environment to develop confidence and a sense of direction before moving to college or employment. **Key to Potential** is our outreach careers advice service. It works with young people, and their parents/carers, to bridge the gap between school and college or work and so offering shared hope.

Unemployment can lead to homelessness - just as homelessness can make finding a job all but impossible. Our **Employability Projects** help provide people facing barriers to employment with the skills to match local employment needs. Over 100 Fareshare participants, on benefits when they join us, are guaranteed employment interviews in retail. **Market-Led Training** prepares for a career in social care, amongst others. We don't stop when a job is offered - where we can, we offer ongoing support both to employers and new employees to increase their chances of sustaining employment.

Many of our own activities are established as **social enterprises**. Working in this way, rather than relying completely on charitable giving, builds resilience into our organisation and ensures we are here for as long as we are needed. Through our **Key to Work** project, our social enterprises provide work experience openings for young people at risk of falling through the gaps in the dwindling work experience sector, as well as some real job opportunities.



Food

We provide food and teach people to farm and to cook

Hunger and homelessness often go together. There are far too many people in Scotland currently experiencing food insecurity, unsure where their next meal will come from. At Cyrenians we farm, we cook, we redistribute surplus food, we spread cooking skills and tackle food poverty by sharing something to eat across our projects.

Cyrenians Farm is also over 50 years old. It welcomes hundreds of volunteers every year to learn about sowing, tending and harvest. Many volunteers work on the Farm long term, growing their confidence as well as food. Our organic fruit and vegetable bags are distributed through local retailers and young people come for learning - achieving recognised qualifications, work experience and employability training.

We collect food that might otherwise go to waste from commercial outlets and redistribute it through our **Fareshare network** of 173 community and charitable organisations. These organisations purchase low cost, high quality food through us, releasing funds and providing food to frontline services. During Covid-19, this network rapidly expanded to supply vulnerable communities with increased food distribution. It is now a large operation supplying enough food to create 4.2 million meals a year. We also operate seven **community pantries** across Edinburgh, where dignified access to food is available to hundreds of vulnerable families at low cost.

In this past year - while restrictions prevented people attending - all Cyrenians kitchens, cafés, lunch clubs and farms turned around what they do to produce high quantities of food parcels and fresh ready meals for people who would otherwise go without.

While access to good food is essential, we also know from experience that the confidence and skills to budget, plan and prepare healthy meals for a family is just as important, especially in low income or vulnerable households. Our **cook school** and **community cook clubs** build kitchen skills and the confidence and sense of community that goes with them. They bring people together to share meals, learn from each other and make local connections. By teaching people how to nourish themselves through food, we help them flourish in other areas of their lives - something to eat and someone to eat with. Additionally, when folk couldn't come to us during the pandemic, we pivoted our efforts into a production kitchen and produced over 80,000 ready to eat meals for distribution to vulnerable people during the first lockdown.



Health

We create therapeutic places and healthcare connections

Good health is fundamental to a fulfilling life but, for those at risk of homelessness, good health care is harder to come by.

We work with local GP practices in Falkirk and Edinburgh to enable and supplement their relationships with at risk people in need of health care. That personal one-to-one work of our **link workers** has been especially important as GPs have moved to telephone or online services.

Our **Hospital Inreach Service** is embedded in Edinburgh hospital wards to ensure patients are not discharged to rough sleeping or inappropriate accommodation and have a place to stay and recover to full health unimpeded.

With Edinburgh Council and NHS Lothian, we help provide the **Lothian and Edinburgh Abstinence Programme**, a supportive residential recovery scheme for people with addictions.

Access to free period products is now a legal right in Scotland and Cyrenians provide dignified access to these essential items in pantries, food parcels and food banks through their **Access to Free Period Products service**.

In Edinburgh and Midlothian, our **hospital community gardens**, tended by volunteers from the local area, welcome thousands of visitors every year, from patients and NHS staff to visiting families and local residents. Our Gardens are recognised by the NHS as contributing towards patient recovery and improved mental health and wellbeing, both through the gardens themselves and the activities we organise in them and in hospital wards. They are also therapeutic places for people moving on from homelessness, supporting their mental health recovery and providing voluntary work opportunities.

In response to the pandemic we changed the use of part of Edinburgh Council's property at **Randolph Crescent** to a service with 24-hour support, for people at risk of homelessness or already homeless to self-isolate or recover from Covid-19.

Supporting and promoting the delivery of our work

At Cyrenians we recognise the value of **relationships**, from those we have with the people we support, to those we build with local corporate partners and our supporter network. Our Relationships Team focuses on developing and maintaining these relationships through fundraising, marketing and communications, ensuring we are able to connect people with our cause, increasing the number of people who know about us and support what we do.

We continue to invest in our unrestricted fundraising efforts with a focus on corporate partnerships and individual giving, including events where there is a healthy projected return on investment or significant brand-awareness opportunity. All areas of fundraising have seen year-on-year uplifts.

Across our **Central Support Services**, we make sure that our Services and Enterprises are able to focus on helping people and delivering on their plan, knowing that the infrastructure to allow them to do so is in place supporting them. Always being mindful of Covid and how we need to continually adapt, we continue to develop our understanding of the communities we serve, informing best practice, business development and strategic annual planning. We invest in our people, our management systems, our facilities and equipment, and all whilst making sure we remain legally compliant in our business practices.

THESE ARE THE CHALLENGES WE FACE

Our practices and values have served us well over 50 years. But the future is, as always, full of uncertainty and challenge for which we must prepare.

This last year of Covid-19 has certainly been challenging. Our whole organisation - volunteers and staff - had to improvise, innovate and learn with a speed which sometimes surprised even us. We set up new services, provided existing services in new ways and vastly expanded our provision of food.

Our immediate task in what we hope will be the aftermath of the pandemic is to consolidate our services and organisation; to recover, reconnect face to face, re-assess, and if necessary re-position.

Covid has taught us two things in particular. First, our supporters have been steadily and increasingly generous with donations, which we must recognise and sustain; second, our ability, as an organisation to be fast on our feet, to constantly learn and change, will be of central and continuing importance to us and to those we support.

Our **immediate objectives** will be to increase our employability work in the face of uncertain conditions in the labour market; to address developing issues in community justice and addiction; and to develop our resilience by increasing trading income from our social enterprises.

The **policy and legislative context** within which we work presents opportunities and considerable challenges.

The legal need for companies to demonstrate their environmental, social and governance credentials opens space for us to have more significant conversations with a wider range of potential corporate supporters. It also lays upon us the challenge to demonstrate our own ESG standing, especially with regard to our carbon footprint.

Continuing austerity and the resulting slow demise of the public sector has far-reaching consequences for us and for people who are homeless or at risk of being so. Local councils, and the services upon which so many people rely, are emasculated. Welfare payments are at low levels. Refugees and asylum seekers can neither work (though that may change) nor have recourse to public funds. All of these are a spur to increased homelessness and will demand resources and resourcefulness on our part.

In Scotland, Parliament is enacting progressive forward-looking social legislation on homelessness and other areas which is to be welcomed. Its plan to end homelessness is a very positive collaborative ambition. However - the Scottish Government's record on delivery is not what might be wished. Deaths from the effects of drug addiction are still the highest in Europe, health outcomes are stubbornly poor, education is slipping back, we are not building enough affordable social housing and the government is missing its own targets to reduce poverty. The current inadequacy of the state to sufficiently protect at-risk citizens inevitably throws a larger burden on charities like ourselves. How - and if - we shoulder that burden will be a significant challenge.

We were much heartened by the **positive public attitudes** to homelessness during the pandemic. Our challenge is to maintain that if we can. The growing social inequality we all experience creates social stress which in turn can create unnecessary division. We must seek out ways to counter that and sustain the positive attitudes we have seen.

INVESTING TO MEET THESE CHALLENGES

So that we can develop, grow, and ensure our long-term sustainability, we are making a number of investments across Cyrenians which will allow us to:

- plan for growth in areas of identified need
- improve our campaign, which in turn will maximise our unrestricted income streams to support the work we do
- develop into a truly learning organisation

The coming year also provides us with the opportunity to engage with partners seeking to improve their **ESG (Environmental, Social, Governance) value** and we will present the ESG impact of our work in a way that is easily understood and appreciated by our stakeholders.



OUR TEAMS, PROJECTS AND PLACES

Access to Free Period Products Giving dignified access to free period products	Edinburgh
All In For Change (with partners) Bringing the lived experience of homelessness into policy-making	Scotland-wide
Amber Working with families of young people at risk of homelessness because of conflict at home	East Lothian
Arnotdale House and Café Housing offices, rooms for hire, a garden and a social enterprise café	Falkirk
Asked to Leave Supporting families of young people being 'asked to leave' because of conflict at home	East Lothian
Camelon Connect Linking people involved in the justice system with local support services and employers	Falkirk
City Community Providing supported accommodation for young people who have faced a tough reality	Edinburgh
Communications and Marketing Team Creating innovative communications to support fund-raising and community relations	Scotland-wide
Community Link Linking at risk and homeless people with local GP services	Edinburgh & Falkirk
Community Pantries Seven community pantries offering good food at nominal cost	Edinburgh
Conflict Resolution Workshops Delivering interactive conflict resolution workshops to young people	Midlothian, Edinburgh and East Lothian
Creative Natives Art and design project supporting young people who've struggled at school to develop and progress	Edinburgh
Crichton Place Community Providing supported accommodation for people with severe and enduring mental ill health	Edinburgh
Early Intervention Partnership with partners A collaborative project with the Rock Trust tackling youth homelessness	Edinburgh
FairStart Providing employability training in support of Falkirk Council	Falkirk
Fareshare Collecting and redistributing otherwise wasted food for charities to feed hungry people	Central & East Scotland
Fareshare Employability Training, advice and guaranteed interviews in retail for young people on benefits	Edinburgh
Farm Community Providing accommodation and support for young people who have faced a tough reality	West Lothian

Farm Enterprise Growing organic food on our social enterprise community farm	Distributed in East Scotland
Finance & Corporate Services Team Central services keeping Cyrenians safe, compliant, efficient and able to learn	Whole organisation
Flavour and Haver Cook School Providing classes, courses, events, lunch clubs and social activities	Virtually across UK, based in Edinburgh
Foundations to Employment Helping people with complex needs into volunteering, training and work	Edinburgh
Fundraising Team Maintaining Cyrenians fund-raising efforts	Scotland-wide
Golden Years. Creating and supporting connections with and between lonely or isolated older people	Edinburgh
HMP Addiewell Visitor Centre Supporting and advising the families of prisoners	West Lothian, South & North Lanarkshire
Homeless Navigator Project Street-level outreach helping homeless people navigate the complexity of support services	Edinburgh
Hospital InReach Providing support for previously homeless people on discharge from hospital	Edinburgh
Housing First Providing a permanent home as the first response to complex housing need, not the last	West Lothian
Justice Employability Training and advising people leaving prison to overcome barriers to employment	Falkirk
Keeping Families Together A new mediation project working with young people in secure units	Scotland-wide
Key to Potential Finding the right post-school direction for young people after a disrupted education	Edinburgh
Key to Work Offering young people who have disengaged from school work experience placements	Lothian-wide
Lothian and Edinburgh Abstinence Project (with partners) A twin-centred residential community supporting people recovering from addiction	Edinburgh
Live Life (with partners) Supporting, mediating, and advising veterans and their families	Scotland-wide
Lotus Providing a supportive residential community for unaccompanied asylum-seeking children	Edinburgh
Market Led Training Providing SDS-verified courses offering a supportive route into the care services	Edinburgh
Midlothian Community Hospital Garden Tending this therapeutic place for patients, their families and volunteers at risk of homelessness	Midlothian

TRUSTEES' REPORT AND FINANCIAL STATEMENTS 31 MARCH 2021

OPAL

Promoting active lives and independence for older people to counter isolation

Bathgate

Peer Worker Programme

Helping and advising 'hard to fit' homeless people by workers who have been there themselves

Edinburgh

Private Rented Sector project (with partners)

Finding private tenancies to avoid long stays in temporary accommodation for homeless people

Lothian-wide

Relationships Team

Building relationships with and increasing the number of people who support Cyrenians – including the Fundraising and Marketing & Communications teams

Scotland-wide

Royal Edinburgh Hospital Garden

Providing a therapeutic place for patients in support of recovery and mental health

Edinburgh

Scottish Centre for Conflict Resolution

Training and digital resource development in conflict resolution and early intervention

Scotland-wide

Scottish Frontline Network (with partners)

Sharing and communicating best practice and policy from frontline workers

Scotland-wide

Social Bite Village (with partners)

Running this purpose-built 'container' village for homeless people and residential volunteers.

Edinburgh

Quest

Training and advising people leaving prison to overcome barriers to employment

Falkirk

Walled Garden

Tending a therapeutic place for the local community attached to Arnotdale House

Falkirk



OUR WORK IN NUMBERS

In a year like no other, Cyrenians still housed, supported and fed people who were homeless or at risk of being so. We did this through our volunteers, our staff and our many generous supporters.

Cyrenians

Our people and our supporters



1,147 volunteers gifted **70,456** hours of their time, knowledge, and experience.

60 were corporate volunteers and **587** were steady, longer-term individual volunteers



54 of our supporters took part in or hosted their own fundraising event

£375,941 was donated to our pandemic and winter emergency appeals



We trained **106** of our **170**-strong staff in Trauma Informed Practice

Community

Over **140** internet connected devices were provided to individuals for online contact

We hosted **96** Zoom groups for **250** older people

We were telephone friends to **98** older people and doorstep 'Covid-safe' friends to **65** others



Home

52 people lived in our five residential communities along with **17** volunteer residents. **17** moved on into independent living

0 homeless people slept rough in Edinburgh during lockdown. We helped **148** people get emergency accommodation, of which we provided for **77** ourselves

We welcomed **10** unaccompanied child refugees into the Lotus community in its first year

18 households moved to private tenancies.

29 people are in permanent Housing First tenancies



Family

113 families used our mediation services.

All their young people remained at or returned home or moved out in a planned and supported way

108 young people attended our conflict resolution workshops

Our Scottish Centre for Conflict Resolution engaged with **1,159** individuals and **329** organisations from **31** Scottish Local Authorities

We distributed **13** digital devices so that families could keep in contact with their loved ones in prison during lockdown

27 veterans' families received support from Live Life Partners, across **18** Local Authority areas, to build more positive and stable futures

Work

We worked with **69** young people who had disengaged from school, **66** of whom went on to college, training, volunteering or work

27 young people accessed work experience placements at our farm, gardens, art studio and kitchen

We trained **271** people on benefits to be ready for work; **30** are already in jobs, with more embarked on interviews

We worked with **38** people involved in the justice system of whom **7** have jobs and **14** have moved to volunteering or training



Food

We distributed almost **1,800** tonnes of surplus food to **256** community food members, enough for over **4.2** million meals.

We provided over **350** households with food at nominal cost through our community pantries

On our own farm we produced **4,800** organic fruit and vegetable bags for sale, containing over **10,000** portions

Our kitchens, cafés and cook schools made and distributed over **94,500** ready-made meals



Health

We made nearly **720** appointments linking GPs with vulnerable patients in their community.

We engaged with **193** hospital patients, helping **73** into accommodation upon discharge

We distributed over **6500** free packs of period products

We welcomed **15** people with addictions into a recovery community in its first 2 months

OUR FINANCIAL AND LEGAL REPORT

Results for the year

The results for the year are shown in the financial statements on [pages 26-28](#).

COVID has impacted Cyrenians in many ways – overnight we had to change how we deliver our services, from face-to-face meetings to virtual groups and telephone calls. We also changed what we delivered, adapting our various food services to ensure we fed those most in need. Where circumstances allowed, we became a work-from-home employer. Our funding structure also changed, with government and other grants replacing earned income, furlough income supporting some staff and an emergency appeal raising in excess of £270,000. Quick action across Cyrenians, adapting our approach to both service delivery and fundraising, has resulted in a resilient financial position at the end of March 2021.

Total income for the year amounted to £5,656,000 (2020: £5,141,000). The surplus before actuarial losses/gains is £244,000 (2020: £362,000). Successful unrestricted fundraising during the year contributed £369,000 to the surplus (2020: £186,000). This £369,000 is reduced by the impact of charitable spend from a significant restricted grant that was fully recognised in 2019/20 but which is being spent by Cyrenians over a three-year period, creating a timing difference which impacts both restricted and unrestricted income.

The principal funding sources during the year are as follows:

	2020	2021
Local Authority	29%	30%
Other Public Bodies	30%	20%
Generated Income	7%	8%
Big Lottery Fund/People's Postcode	2%	6%
Companies/Trusts	26%	28%
Donations/other	6%	8%

Having successfully diversified our funding over recent years, our strategy is to maintain an appropriate balance between funding sources that ensures we are not overly reliant on public funding. Given the challenges of COVID, our earned income was lower than originally targeted, but this was offset by increased grant funding, furlough income and our successful fundraising campaigns in response to the pandemic.

Our unrestricted cash balance at March 2021 is £449,000. The total cash balance of £2,243,000 includes £1,541,000 committed to delivery of services beyond the year end and therefore is restricted cash, and also income received from a funder which was due to third-party consortium partners at year end of £253,000.

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.

Unrestricted income has been utilised in 2020/21 to the extent that restricted income was insufficient to cover the full cost of delivering our enterprises at Arnotdale House and Cyrenians Farm. All other charitable activities were funded fully from a combination of restricted funding for that activity, project specific income generation, furlough income and fundraising.

Reserves policy

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

Cyrenians Reserves Policy was last reviewed and approved by Trustees in June 2021. This policy includes a formal framework to allow enhanced monitoring and early intervention if required. This framework expresses our approach to determining an appropriate level of reserves and is reviewed annually. It has a multi-tier approach with trigger points for action incorporating a RAG (Red-Amber-Green) warning system.

The Trustees consider that the level of unrestricted general funds ("free reserves") at 31 March 2021 of £444,000 (2020: £372,000) are adequate for these purposes, noting that as part of our Reserves Policy, as well as free reserves, property reserves which are within our designated reserves, are included in our consideration of acceptable levels of reserves. These were £215,000 at March 2021.

Trustees continually review the level of "free reserves" (those not committed or invested in fixed assets) in light of the changing landscape of our funding at this time. This is reflected in our rolling Corporate Plan where we are seeing an increase in our unrestricted income generation to support challenges across the funding landscape. 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 2021 was £1,541,000 (2020: £1,611,000). This reduction in restricted funds reflects income recognition requirements whereby income has been received/ recognised in 2019/20, for costs which were incurred during 2020/21 and beyond.

The Reserves Policy is next scheduled for review early 2022.

Plans for future periods

All our plans for 2021/22 and into the following years have been adapted to react to the challenges of COVID-19, in how we deliver services whilst protecting and supporting staff, and ensuring, alongside existing service delivery, we support those most in need during this period.

In March 2021 the Trustees designated £240,000 of general funds to cover the projected reduction in unrestricted reserves in the Trustee approved budgets for 22/23. This budgeted use of unrestricted reserves covers investment in an organisational staffing restructure, for which we are continuing to fundraise, and shortfalls on Cyrenians Farm and Arnotdale Café while we grow these enterprises to profitability. These are all in line with our 5-year strategic 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 a 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 in April 2016. The SCIO's governing document is a Constitution dated 18 March 2016.

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

The Board is the governing body, legally responsible for ensuring that the charity is effectively and properly run. Formal meetings take place every 6 weeks on an annual cycle with an agenda that reviews all the main strategies in the Annual 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 (CEO) who is fully accountable to the Board. The CEO meets regularly with the Chair to plan and lead the main business of the charity. Specific matters reserved for decision by the Board include recruitment of staff to senior posts and the remuneration scales for all staff.

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 Charity faces on an annual basis. The last formal risk review was in June 2021. Between the formal Trustee risk reviews, the Finance Committee discusses risks at its quarterly meetings and reports back any significant new or changing risks to the Trustees. The rolling agenda of the Board of Trustees also ensures that all key risk areas are included in strategic conversations on an ongoing basis. 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

Charity name:	Cyrenians
Charity number:	SC011052
Legal status:	Scottish Charitable Incorporated Organisation (SCIO)
Address (Head Office):	Norton Park, 57 Albion Road, Edinburgh, EH7 5QY

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

Kirsty Bathgate	(Chair)	Elinor Jayne
Isobel Wylie	(Secretary)	Carolyn Girvan
Ciaran McGuigan	(Treasurer)	John Lawrie
Pete Flockhart		Veronika Gunn-Boesch
Luke Jeavons	(resigned September 2020)	

Leadership Team

Ewan Aitken (CEO)
Amy Hutton
Kathryn Reilly
Rachael Wallace-Lane (resigned 10 November 2020)
Michelle Lloyd
Neil Hay (resigned 09 April 2021)
Mike Hartley (joined 21 September 2020)

Bankers

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

Solicitors

Anderson Strathern
1 Rutland Court
Edinburgh
EH1 2ET

Auditor

Azets Audit Services
Exchange Place 3
Semple St
Edinburgh
EH3 8BL

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 Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)).

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

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

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

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

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.

Kirsty Bathgate, Chair



Date:

25/02/22.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CYRENIANS

For the year ended 31 March 2021

Opinion

We have audited the financial statements of Cyrenians (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustees Report [\[set out on page 21\]](#), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the charity's legal advisors.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services
Statutory Auditor
Chartered Accountants
Exchange Place, 3 Semple Street
Edinburgh
EH3 8BL

Date: 9 March 2022

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

Incorporating an Income & Expenditure account for the year ended 31 March 2021

	Note	Restricted Funds	Unrestricted Funds	General Funds	Total Funds	2020
<i>Income and Endowments</i>		£	£	£	£	£
<i>from:</i>						
Donations		132,244	-	502,945	635,189	503,420
Charitable activities	<u>3</u>	4,486,572	-	272,208	4,758,780	4,581,989
Other trading activities		-	-	60,515	60,515	47,482
Investments		-	-	1,750	1,750	3,577
Other	<u>4</u>	-	-	199,811	199,811	4,616
Total		4,618,816	-	1,037,229	5,656,045	5,141,084
<i>Expenditure on:</i>						
Raising funds	<u>6</u>	30,284	-	194,480	224,764	208,778
Charitable activities	<u>7</u>	4,833,560	-	310,415	5,143,975	4,510,290
Other		43,433	-	-	43,433	59,655
Total	<u>8</u>	4,907,277	-	504,895	5,412,172	4,778,723
Net income/(expenditure)		(288,461)	-	532,334	243,873	362,361
Transfers between funds	<u>21</u>	190,915	236,400	(427,315)	-	-
		(97,546)	236,400	105,019	243,873	362,361
Net income/ (expenditure) before other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	<u>18</u>	-	-	(244,000)	(244,000)	277,000
	<u>18</u>	-	-	238,000	238,000	(267,000)
Gain/ (loss) on asset ceiling						
Net movement in funds		(97,546)	236,400	99,019	237,873	372,361
Total funds brought forward		1,638,701	222,677	344,683	2,206,061	1,833,700
Total funds carried forward		1,541,155	459,077	443,702	2,443,934	2,206,061

BALANCE SHEET

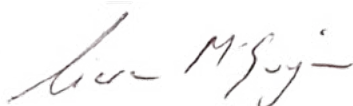
as at 31st March 2021

	Note	2021		2020
	£	£	£	£
Fixed Assets				
Tangible assets	<u>12</u>	421,075		415,780
Investments	<u>13</u>	100		100
Current Assets				
Debtors	<u>14</u>	1,013,735	843,349	
Cash at bank and building society	<u>15</u>	2,435,210	1,923,532	
Cash in hand	<u>15</u>	7,540	9,608	
		<u>3,456,485</u>	<u>2,776,489</u>	
Creditors: amounts falling due within one year	<u>16</u>	(1,393,656)	(936,728)	
Net current assets		2,062,829		1,839,761
Total assets less current liabilities		<u>2,484,004</u>		<u>2,255,641</u>
Creditors: amounts falling due after one year	<u>16</u>	(40,070)		(49,580)
Defined benefit pension scheme liability	<u>18</u>		-	-
Total net assets		<u>2,443,934</u>		<u>2,206,061</u>
The funds of the charity:				
Restricted income funds	<u>21</u>	1,541,155		1,638,701
Unrestricted designated funds	<u>21</u>	459,077	222,677	
Unrestricted general funds	<u>21</u>	443,702	344,683	
Pension reserve	<u>18</u>	-	-	
Total unrestricted funds		<u>902,779</u>		<u>567,360</u>
Total charity funds		<u>2,443,934</u>		<u>2,206,061</u>

The notes on pages 29-46 form part of these financial statements.

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

Ciaran McGuigan
Treasurer



Isobel Wylie
Secretary



STATEMENT OF CASHFLOW

For the year ended 31st March 2021

	<i>Note</i>	2021	2020
		£	£
Net income for the year (as per SOFA)		243,874	362,361
Adjustments for:			
Defined benefit pension		(6,000)	10,000
Depreciation and loss on disposal		75,722	70,994
Bank interest		(1,750)	(3,577)
Loan interest		1,628	1,884
Decrease/(increase) in debtors		(170,385)	396,648
Increase in creditors		447,416	422,802
Net cash provided by operating activities		590,505	1,261,112
Cash flows from investing activities			
Bank interest		1,750	3,577
Loan interest		(1,628)	(1,884)
Purchase of fixed assets		(81,017)	-
Net cash provided by/(used in) investing activities		(80,895)	1,693
Change in cash and cash equivalents in the year		509,610	1,262,805
Cash and cash equivalents at the beginning of the year		1,933,140	670,335
Cash and cash equivalents at the end of the year	<i>15</i>	2,442,750	1,933,140

Reconciliation of net debt

	2020	Cash flows	2021
	£	£	£
Cash and cash equivalents	1,933,140	509,610	2,442,750
Concessionary loans	(58,803)	9,230	(49,573)
	<u>1,874,337</u>	<u>518,840</u>	<u>2,393,177</u>

The notes on pages 29-46 form part of these financial statements.

NOTES

(forming part of the financial statements)

1: Summary of significant accounting policies

General Information

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

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

The 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.

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

1.2 Going Concern

The trustees have prepared the financial statements on the going concern basis, as there are no material uncertainties about its ability to continue. This is substantiated by Cyrenians Reserves Policy which 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.

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 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.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

1.11 Debtors

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

1.12 Cash and cash equivalents

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

1.13 Creditors

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

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

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

2: Critical judgements and estimates

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

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.

3: Incoming resources from charitable activities

2021

	Restricted Funds £	Unrestricted Designated Funds £	General Funds £	Total Funds £
Home and housing	1,377,902	-	-	1,377,902
Family and people	1,552,665	-	1,243	1,553,908
Work and skills	490,328	-	9,042	499,370
Community and food	1,056,051	-	211,423	1,267,474
Development of new charitable activities	9,626	-	-	9,626
Letting of Non-Investment Property	-	-	50,500	50,500
	4,486,572	-	272,208	4,758,780

2020

	Restricted Funds £	Unrestricted Designated Funds £	General Funds £	Total Funds £
Home and housing	1,205,665	-	-	1,205,665
Family and people	1,704,481	-	1,741	1,706,222
Work and skills	721,148	-	5,365	726,513
Community and food	581,591	-	259,641	841,232
Development of new charitable activities	20,214	-	26,563	46,777
Letting of Non-Investment Property	-	-	55,580	55,580
	4,233,099	-	348,890	4,581,989

4: Other unrestricted income

	2021	2020
	£	£
Furlough Income	193,811	-
Other	6,000	4,616
Total Other Income	199,811	4,616

5: Grants

Included in charitable activities are the following government grants:

Government Body	Nature of Award	2021	2020
		£	£
Third Sector Early Intervention Fund	Scottish Centre for Conflict Resolution	240,000	240,000
Scottish Ministers – Welfare Division	Fareshare food redistribution	32,940	26,750
Scottish Ministers – Wellbeing Fund	Outreach	101,248	-
Scottish Ministers – Resilience Fund	Covid support	93,924	-
Scottish Ministers – Communities	Covid support	51,597	-
Government	Furlough support	193,811	-
Scottish Ministers – Community Justice	Addiewell Prison Visitor Centre	53,854	50,000
Scottish Ministers – Safer Communities	Conflict Resolution services	60,060	-
Community Jobs Scotland	Traineeships	32,840	36,732
Fair Food Transformation Fund	Good Food	93,700	51,360
Scottish Ministers – Social Justice	Fareshare Period Poverty	50,851	43,420
Scottish Ministers – Civil Contingency	Fareshare food redistribution	-	12,500
Scottish Ministers	All in for Change	13,093	16,537
		1,017,918	477,299

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. 1147 volunteers worked a total of 70,456 hours in 2020/21. This is the equivalent of 42 full time posts.

Donated goods, facilities and services not recognised as income amount to £21,665 (2019/20: £916)

6: Expenditure on raising funds

2021	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Fundraising staff costs	24,884	-	85,931	110,815
Events costs	-	-	-	-
Other	5,400	-	108,549	113,949
	30,284	-	194,480	224,764

2020	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Fundraising staff costs	25,932	-	87,618	113,550
Events costs	-	-	18,134	18,134
Other	5,624	-	71,470	77,094
	31,556	-	177,222	208,778

7: Expenditure on charitable activities

2021	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Home and housing	1,360,559	-	33,693	1,394,252
Family and people	1,663,112	-	41,934	1,705,046
Work and skills	599,385	-	23,917	623,302
Community and food	1,166,197	-	205,639	1,371,836
Development of new charitable activities	44,307	-	1,106	45,413
Letting of Non-Investment Property	-	-	4,126	4,126
	4,833,560	-	310,415	5,143,975

2020	Unrestricted			Total Funds £
	Restricted Funds £	Designated Funds £	General Funds £	
Home and housing	1,142,601	-	35,606	1,178,207
Family and people	1,387,043	-	61,875	1,448,918
Work and skills	591,544	-	23,525	615,069
Community and food	832,165	-	240,272	1,072,437
Development of new charitable activities	157,254	-	32,999	190,253
Letting of Non-Investment Property	-	-	5,406	5,406
	4,110,607	-	399,683	4,510,290

8: Support Costs

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

2021	Management & strategic development	Finance, HR & IT	Governance	Other	Total support	Direct costs	Total costs
	£	£	£	£	£	£	£
	Home and housing	43,941	70,555	19,679	10,275	144,450	1,249,802
Family and people	54,187	87,007	24,267	12,671	178,132	1,526,914	1,705,046
Work and skills	20,537	32,976	9,197	4,802	67,512	555,790	623,302
Community and food	39,621	63,618	17,744	9,265	130,248	1,241,588	1,371,836
Develop new charitable activities	1,536	2,466	688	359	5,049	40,364	45,413
Let non-Investment Property	-	-	-	-	-	4,126	4,126
Raising funds	5,621	9,025	2,517	1,314	18,477	206,287	224,764
Other	550	883	246	129	1,808	41,625	43,433
	165,993	266,530	74,338	38,815	545,676	4,866,496	5,412,172

2020	Management & strategic development	Finance, HR & IT	Governance	Other	Total support	Direct costs	Total costs
	£	£	£	£	£	£	£
	Home and housing	30,801	56,205	17,781	10,636	115,423	1,062,784
Family and people	43,284	78,984	24,987	14,946	162,201	1,286,717	1,448,918
Work and skills	17,962	32,778	10,369	6,203	67,312	547,757	615,069
Community and food	29,521	53,870	17,042	10,194	110,627	961,810	1,072,437
Develop new charitable activities	3,862	7,048	2,230	1,334	14,474	175,779	190,253
Let non-Investment Property	-	-	-	-	-	5,406	5,406
Raising funds	5,101	9,308	2,945	1,761	19,115	189,663	208,778
Other	-	-	-	-	-	59,655	59,655
	130,531	238,193	75,354	45,074	489,152	4,289,571	4,778,723

9: Governance costs

	2021	2020
	£	£
Audit fees	13,620	14,048
Legal fees	3,015	4,685
Staff and office costs attributed to governance	57,703	55,986
Trustee training	-	635
	74,338	75,354

10: Transactions with related parties

There were no related party transactions during the year.

11: Employee benefit expenses

The average monthly number of staff employed by the Charity during the year ended 31 March 2021 was 161 (2020: 139) of whom 150 worked on direct charitable activities and 11 provided head office support.

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

	2021	2020
	£	£
Salaries	3,466,290	2,961,599
Social security costs	248,073	211,708
Employer contributions to defined contribution pension schemes	163,547	146,378
Operating costs of defined benefit pension schemes	43,578	38,385
Agency staff/self-employed	20,266	12,896
Holiday pay accrual	43,433	58,955
	3,985,187	3,429,921

The key management personnel of Cyrenians comprise the Chief Executive Officer, Director of Finance and Corporate Services, Director of Commerce and Trading, Heads of Service and Head of Quality. The total amount of remuneration and benefits received by its key management personnel for their services to the charity was £325,041 (2020: £301,030).

No Trustees were remunerated nor received any other benefits from an employment with the charity during the year (2020: none).

No trustee expenses were incurred during the year (2020: £nil)

The Charity had one employee who meets the definition of a high earner; and had emoluments in the range £70,000 - £79,999 (2020: one high earner £70,000-£79,999).

12: Tangible fixed assets

	Heritable Property £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2020	319,732	481,989	73,601	875,322
Charge for year	-	33,272	47,745	81,017
Disposal	-	-	(21,500)	(21,500)
At 31 March 2021	319,732	515,261	99,846	934,839
Depreciation				
At 1 April 2020	101,110	306,161	52,271	459,542
Charge for year	5,272	52,273	17,270	74,815
Disposal	-	-	(20,593)	(20,593)
At 31 March 2021	106,382	358,434	48,948	513,764
Net Book Value				
At 31 March 2021	213,350	156,827	50,898	421,075
At 31 March 2020	218,622	175,828	21,330	415,780

All assets are held for charitable purposes.

At the year-end there were no capital commitments.

13: Investments

	2021 £	2020 £
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

	2021 £	2020 £
Trade debtors	551,441	548,585
Prepayments & accrued income	267,524	278,599
Other debtors	194,770	16,165
	1,013,735	843,349

15: Cash and Cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	2,204,799	1,695,743
Notice deposits	237,951	237,397
	<hr/>	<hr/>
Total cash equivalents	2,442,750	1,933,140

16: Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	396,560	65,481
Accruals and deferred income	811,543	724,208
Taxation and social security	67,564	57,806
Other creditors	108,485	80,010
Concessionary loan	9,504	9,223
	<hr/>	<hr/>
	1,393,656	936,728

Creditors: amounts falling due after one year

	2021	2020
	£	£
Concessionary loan	40,070	49,580
	<hr/>	<hr/>
	40,070	49,580

The concessionary loan from Postcode Innovation Trust was made toward the Enterprise Training Service and Arnotdale House start-up costs. The loan is unsecured, subject to an interest rate of 3% per annum and is repayable by instalments over 7 years. Cyrenians can repay the loan in full, increase the level of repayments or accelerate repayments without penalty with the lender's prior consent.

17: Deferred income

	2021	2020
	£	£
Balance as at 1 April 2020	555,653	280,565
Amounts released in relation to previous years	(548,503)	(280,565)
Income deferred in the year	623,823	555,653
At 31 March 2021	630,973	555,653

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: Defined Benefit Plan

Cyrenians 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 scheme is closed to new members, but Cyrenians 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 2020, by Hymans Robertson LLP, 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 2021/22; 2022/23 and 2023/24 are set at 25.6% of gross pay. The next full actuarial valuation will be at 31 March 2023.

Employer contributions to the Lothian Pension Fund during the year amounted to £43,578 (2020: £28,305). Employer contributions for the period to 31 March 2022 will be approximately £30,000.

Explanation of amounts in the financial statements

Amounts recognised in the balance sheet at 31 March 2021	Value at 31 March 2021	Value at 31 March 2020
	£000	£000
Fair value of assets	3,409	3,094
Present value of funded obligations	(3,396)	(2,843)
Surplus	13	251
Asset ceiling loss	(13)	(251)
Net defined benefit liability at 31 March 2021	-	-
Amount recognised in the statement of financial activities over the year	31 March 2021	31 March 2020
	£000	£000
Current service cost	44	38
Interest on liabilities	65	76
Interest on assets	(71)	(76)
Total	38	38

Reconciliation of Assets and Defined Benefit Obligation

The change in the assets over the period was:

	31 March 2021	31 March 2020
	£000	£000
Fair value of assets at the beginning of the period	3,094	3,187
Interest on assets	71	76
Participants contributions	7	5
Company contributions	44	28
Benefits paid	(87)	(107)
Return on plan assets less interest	214	(95)
Other experience	66	-
Fair value of assets at the end of the period	3,409	3,094

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

	31 March 2021	31 March 2020
	£000	£000
Defined Benefit Obligation at the beginning of year period	2,843	3,180
Service costs	44	38
Interest costs	65	76
Participant contribution	7	5
Benefits paid	(87)	(107)
Experience (gain) on defined benefit obligation	-	-
Changes in demographic assumptions	(109)	-
Changes to financial assumptions	692	(329)
Other experience	(59)	(20)
Defined benefit obligation at the end of year period	3,396	2,843

Assets

Asset Category	31 March 2021	31 March 2020
Equities	38%	36%
Bonds	52%	56%
Property	3%	4%
Cash	7%	4%
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 2021	31 March 2020
Discount rate	2.0% pa	2.3% pa
Future salary increases	3.35% pa	3.5% pa
Future pension increases	2.85% pa	1.9% pa

Mortality

Year to 31 March 2021

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2020 model with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% pa. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	20.5 years	23.3 years
Future pensioners	21.9 years	25.2 years

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

Mortality assumptions used to value the obligations in the employer's closing position were

	Males	Females
Current pensioners	21.7 years	24.3 years
Future pensioners	24.7 years	27.5 years

Life expectancies for the prior period end are based on the Fund's Vita Curves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rate of 1.25% pa.

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).

19: 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 now at 3%, 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 £163,547 (2020: £146,378).

20: Analysis of net assets among funds

The fund balances at 31 March 2021 are represented by

2021	Unrestricted			Total Funds £
	Restricted Funds	Designated Funds	General Funds	
	£	£	£	
Fixed assets	-	215,022	206,153	421,175
Net current assets	1,541,155	244,055	277,619	2,062,829
Creditors due in more than 1 year	-	-	(40,070)	(40,070)
	<u>1,541,155</u>	<u>459,077</u>	<u>443,702</u>	<u>2,443,934</u>

2020	Unrestricted			Total Funds £
	Restricted Funds	Designated Funds	General Funds	
	£	£	£	
Fixed assets	-	218,622	197,258	415,880
Net current assets	1,611,076	4,055	224,630	1,839,761
Creditors due in more than 1 year	-	-	(49,580)	(49,580)
	<u>1,611,076</u>	<u>222,677</u>	<u>372,308</u>	<u>2,206,061</u>

21: Funds

2021	Balance at	Income	Expenditure	Transfers	Other gains/ (losses)	Balance
	beginning of year					at end of year
	£	£	£	£	£	£
<u>Restricted Funds</u>						
Home and housing	305,636	1,378,102	(1,372,243)	9,990	-	321,485
Family and people	636,126	1,568,977	(1,677,223)	61,787	-	589,667
Work and skills	329,140	500,478	(604,543)	24,533	-	249,608
Community and food	333,348	1,161,633	(1,208,577)	92,494	-	378,898
Development of new charitable activities	34,451	9,626	(44,691)	2,111	-	1,497
Sub total restricted	1,638,701	4,618,816	(4,907,277)	190,915	-	1,541,155
<u>Unrestricted Designated Funds</u>						
Properties	218,622	-	-	(3,600)	-	215,022
Organisational restructure	-	-	-	240,000	-	240,000
Des Ryan sports fund	3,532	-	-	-	-	3,532
Leslie Sorrie memorial fund	523	-	-	-	-	523
Sub total designated	222,677	-	-	236,400	-	459,077
Unrestricted General Funds	344,683	1,031,229	(504,895)	(427,315)	-	443,702
Pensions reserve	-	6,000	-	-	(6,000)	-
Sub total unrestricted	567,360	1,037,229	(504,895)	(190,915)	(6,000)	902,779
Total Reserves	2,206,061	5,650,045	(5,412,172)	-	(6,000)	2,443,932

TRUSTEES' REPORT AND FINANCIAL STATEMENTS 31 MARCH 2021

2020	Balance at					Balance	
	beginning	Income	Transfers		Other gains/	at end of	
	of year		Expenditure		(losses)	year	
	£	£	£	£	£	£	
<u>Restricted Funds</u>							
Home and housing	256,130	1,207,634	(1,158,128)	-	-	305,636	
Family and people	300,415	1,729,909	(1,405,411)	11,213	-	636,126	
Work and skills	207,431	721,148	(599,439)	-	-	329,140	
Community and food	439,369	714,075	(877,925)	57,829	-	333,348	
Development of new charitable activities	67,165	20,214	(160,215)	107,287	-	34,451	
Sub total restricted	1,270,510	4,392,980	(4,201,118)	148,704	-	1,638,701	
<u>Unrestricted Designated Funds</u>							
Properties	227,480	-	-	(8,858)	-	218,622	
Des Ryan sports fund	4,032	-	(500)	-	-	3,532	
Leslie Sorrie memorial fund	723	-	(200)	-	-	523	
Sub total designated	232,235	-	(700)	(8,858)	-	222,677	
Unrestricted General Funds	330,955	748,104	(566,905)	(167,471)	-	344,683	
Pensions reserve	-	-	(10,000)	-	10,000	-	
Sub total unrestricted	563,190	748,104	(577,605)	(176,329)	10,000	567,360	
Total Reserves	1,833,700	5,141,084	(4,778,723)	-	10,000	2,206,061	

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.

Decisions are taken to use unrestricted income to fund restricted projects for a number of reasons including: (i) a conscious strategic decision in advance of delivery to gap-fund projects where the funder does not cover all project or apportioned overhead costs, (ii) shortfalls in budgeted match funding which is subsequently not secured, and (iii) unbudgeted/unexpected project overspends. Unrestricted fundraising income has been utilised in 2020/21 to the extent required to cover the cost of delivering Cyrenians Farm (£16,028) and Arnotdale Café (£21,950) during the year.

In 20/21 furlough income received from the government, which is unrestricted, has been transferred to restricted funds for the service area in which the furloughed staff work.

The Properties Fund at 31 March 2021 represents the net book value of the charity's properties. Each year an amount equal to the depreciation charge is released.

In March 2021 the Trustees designated £240,000 of general funds to cover the reduction in unrestricted reserves in the Trustee approved budgets for 22/23. This budgeted use of unrestricted reserves covers investment in an organisational staffing restructure, for which we are continuing to fundraise, and shortfalls on Cyrenians Farm and Arnotdale Café while we grow these enterprises to profitability. These are all in line with our 5-year strategic plan.

The Des Ryan Sports Fund was set up following the death of the charity's Chief Executive in April 2013. The fund is 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.

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 2020	Income	Expenditure	Balance at 31 March 2021
	£	£	£	£
Children in Need / Youth Futures (Work&Skills)	-	40,000	3,239	36,761
National Lottery Community Fund (Befriending)	37,425	87,665	86,257	38,833
National Lottery Community Fund (Food)	-	81,860	80,466	1,394
National Lottery Community Fund (Work&Skills)	93,178	-	46,365	46,813
Lankelly Chase Foundation (Research)	-	18,714	17,714	1,000
Early Intervention Fund (Scottish Centre for Conflict Resolution)	-	240,000	235,847	4,153

22: Operating Leases

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

	2021	2020
	£	£
Not later than one year	64,599	72,064
One to Two years	17,083	-
Total commitment	81,682	72,064