

COMPANY REGISTRATION NUMBER: SC070903
CHARITY REGISTRATION NUMBER: SC014849

Aberdeen Cyrenians Limited
Company Limited by Guarantee
Financial Statements
31 March 2018

WILLIAMSON & DUNN

Chartered accountant & statutory auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2018

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Aberdeen Cyrenians Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2018

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2018.

Objectives and activities

Aberdeen Cyrenians has been providing support to vulnerable people for the past 50 years. We aim to meet the needs of individuals who are at the very margins of society; those who are homeless, at the risk of homelessness or affected by homelessness in any way. We listen to their difficulties, understand needs, share burdens, provide professional care and strive to identify permanent solutions that will bring about positive changes to the lives of individuals. Our services focus on:

- Prevention of homelessness - through outreach support, advice and information services and residential respite services
- Alleviation of homelessness - in our 29 accommodation places
- Rehabilitation - tackling underlying issues such as domestic and sexual abuse, substance misuse and mental health
- Resettlement - practical help to gain employment, to learn the skills needed to live in the community and to sustain a tenancy.

The objectives of Aberdeen Cyrenians as outlined in the Memorandum of Association are:

- the relief of poverty, sickness and old age in particular, for the relief of poverty of persons who by reason of mental or physical infirmity are unable to fulfil their duties as citizens or their obligations to their employers, and;
- carrying on for the benefit of the community and the public benefit the provision of houses, hostels and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

Vision Statement

The Vision Statement has three parts to it:

- Continue to serve Aberdeen's homeless with compassion and professionalism.
- Be a partner of choice for all who work in our field.
- Be a trusted voice on the issue of homelessness in our city.

Strategies Employed to Realise Our Vision

Fundraising

- To develop and implement short, medium and long term organisational and service based fundraising strategies to maximise fundraised income.

Aberdeen Cyrenians Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Objectives and activities *(continued)*

Partnerships

- To develop and maintain networks and partnerships in line with our Mission, Vision and Aims and Values.
- To develop internal and external Corporate Social Responsibility Strategies.
- To work in partnership with our service users to improve services.

Effectiveness

- To maintain and further develop our Human Resources, Training, Finance, Health and Safety, Environmental and Quality Assurance support services.
- To maintain and improve service delivery of our contracted services and to develop professional relationships with commissioners.
- To further develop and expand services provided by volunteering.
- To secure resources and property for future continuation of services.
- To develop frameworks for measuring outcomes for service users.
- To maintain a motivated workforce.

Aberdeen Cyrenians has a contract with Aberdeen City Council to provide residential services at Margaret House, which offers short term accommodation to 12 residents. Substance misuse and criminal justice issues are common among the residents, as is prostitution, abuse, self-harm and other psychological issues. Staff support service users to develop the skills they need to address issues and sustain a successful move into their own tenancy.

Aberdeen Cyrenians is contracted by Aberdeen City Council/HSCP to provide a 24 hour supported residential care service at Wernham House, which provides longer term residential and respite placements for 17 individuals aged 18 and over who have alcohol, substance and mental health issues.

Aberdeen Cyrenians is contracted by Aberdeen City Council to provide Advice, Information and Support Resettlement services. These include support to individuals who are making the transition from temporary to settled permanent accommodation, ensuring that they are settled, secure and equipped to manage their tenancy successfully. The service is available to individuals aged 16 and over, who have been accepted as statutory homeless by the local authority. Support is also given to those who have been assessed as having no recourse to public funds.

In addition, Aberdeen Cyrenians provides a Drop In Service providing advice and information in relation to housing, homelessness including the prevention of homelessness, benefit applications, debt management and income maximisation. The service offers support with employment applications, formal appeals, advocacy, food assistance, access to clothing, toiletries and equipment for rough sleepers. The Drop In service continues to work closely with internal and external agencies, offering a holistic approach to identifying and supporting the needs of those who access the service.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Objectives and activities *(continued)*

The Violence Against Women (VAW) Project provides support to vulnerable women who have experienced or are currently experiencing abuse, whether this be in the form of physical, emotional, financial, sexual abuse and/or sexual exploitation. VAW workers strive to empower women to move past challenging times, enabling them to make positive changes in their lives through the provision of emotional, practical and advocacy support on a one-to-one basis, our 12-week Women's Group programme and our Befriending service.

The Domestic Abuse Support and Accommodation Project (DASAP) provides support to men, women and families experiencing domestic abuse to enable them to feel safe in accommodation of their choice. The project works in partnership with Aberdeen City Council's Housing Access Service who provide access to alternative accommodation, while Aberdeen Cyrenians offer a package of support. This is the only resource in the city to offer this level of service to men affected by domestic abuse. DASAP offers practical, emotional and advocacy support for a period of three months and frequently refers service users on for additional support beyond this time. We continue to see a greater need for DASAP than predicted, when the project began in 2014.

Aberdeen Cyrenians also provides hot food, laundry and personal care facilities as part of the Street Alternatives project. This service operates out of Summer Street premises two nights per week and on both Saturday and Sunday lunchtimes. It is run by volunteers with staff support from Volunteer Co-ordinators and the Advice, Information and Support, Resettlement and Drop In Services, who are available to support service users to address their individual issues.

The achievement of the objectives of Aberdeen Cyrenians is enhanced by the active participation of the wider community. Aberdeen Cyrenians welcomes and encourages the involvement of individual and corporate volunteers at all levels in the organisation and within all appropriate services and activities. During the year, there were more than 180 volunteers available to Aberdeen Cyrenians. Their involvement included:

- running the Street Alternatives project;
- cooking and general kitchen duties;
- preparing food parcels;
- help to manage the many food, and other, donations to the organisation;
- provision of practical assistance to projects, for example, decorating and gardening;
- help with running Music workshops and other creative activities;
- help with fundraising;
- involvement in sponsored, fundraising events;
- collecting donations;
- initiating food drives; and
- provision of a befriending service in conjunction with the Violence Against Women project.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Achievements and performance

Margaret House

Margaret House provides support and care in a residential setting to twelve individuals at a time. All service users are homeless and have multiple complex needs which can include: substance misuse; learning disabilities; mental health problems; histories of physical and/or sexual abuse; histories of anti-social behaviour. All referrals come through Aberdeen City Council Housing Support Service.

The support provided at Margaret House is designed to enable service users to move-on to more permanent accommodation and to maintain it successfully. The team at Margaret House liaise extensively with Aberdeen City Council in assisting in areas such as the identification of appropriate types of move-on accommodation and packages of on-going support.

The Care Inspectorate performed an unannounced inspection in April 2018. On this occasion the service was graded as 5 - Very Good, in all the areas inspected.

Wernham House

Wernham House provides 24 hour supported residential care for seventeen individuals aged 18 and over. Working effectively with Aberdeen City Council Social Work Integrated Alcohol Service, placements can be short term, long term and respite. There is a continuing rise in the number of individuals being referred and then being admitted to the project who have forms of dementia and multiple complex needs health & social care issues. This necessitates a very substantial amount of one to one personal care input and respite placements may then become longer term.

Service User involvement continues to inform and direct service provision. This takes different forms including resident representatives, service user involvement in recruitment and completion of Care Inspectorate assessment forms, collaborative projects with other charities and updating local procedures.

The Care Inspectorate performed an unannounced inspection in October 2017. The service was graded as 5 - Very Good, for quality of management and leadership and graded as 5 - Very Good, for quality of care and support.

Advice, Information and Support, Resettlement and Drop In Services

The Advice, Information and Support, Resettlement and Drop In Services provide advice and information in relation to housing and homelessness including the prevention of homelessness, benefit applications, debt management and income maximisation. The service offers support with employment applications, formal appeals, advocacy, food assistance, access to internal Street Alternative service, clothing, toiletries and access to equipment for rough sleepers.

The Care Inspectorate performed an unannounced inspection in November 2016. The service was graded as 5 - Very Good, in all the areas inspected.

The Drop In service is designed to support service users with multiple, complex and often varying needs, ensuring that the most vulnerable people in the city have access to services.

The service has been able to provide a support network to those service users who find it difficult to maintain appointments by offering them the opportunity to drop in as and when they feel they need support. This has proved most effective for "hard to reach" service users.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Achievements and performance *(continued)*

The Drop In service works closely with internal and external agencies, offering a holistic approach to identifying and supporting the needs of those who access the service. Where necessary service users are signposted to relevant external agencies that are most suited to their identified needs.

During the year, 5,526 presentations and appointments were held and hundreds of individuals received support and advice.

On average, there are 110 appointments at Drop In per week. During the year, nearly 2,800 food parcels were distributed along with nearly 900 toiletry parcels, 140 sleeping bags and 60 rough sleeper packs.

Violence against Women Project

The Violence against Women Project provides support to vulnerable women of all ages. This support may be one-to-one, providing emotional and practical support to promote women's safety and well-being. Many women also require advocacy support, to engage with other agencies and access other services. The frequency, focus and duration of support depends upon each woman's individual needs, from one-off interventions to short-, medium- and long-term support. One of these options may be the Women's' Group, which offers a safe space for women to build confidence, self-esteem and establish social contact. The women decide themselves what they want from sessions and activities as well as identifying opportunities beyond the group. Befriending volunteers offer follow-on support to women who have accessed 1 to 1 support or the women's group programme. Volunteers meet with women on a regular basis, helping to build confidence and reduce social isolation. The VAW Project was established in 2006 after a gap in service provision was identified for women accessing Aberdeen Cyrenians due to homelessness and housing issues, who had also experienced gender-based violence and abuse.

The project has expanded since this time and receives referrals from a wide range of voluntary and statutory organisations. While it was predicted that approximately 90 women would be supported by this service during the year, 112 women engaged with one-to-one support, 4 women successfully completed the 12-week women's group and 3 women benefitted from Befriending support.

The Care Inspectorate performed an inspection in November 2016. The service was graded as 5 - Very Good, in all the areas inspected.

Domestic Abuse Support and Accommodation Project

The Domestic Abuse Support and Accommodation Project (DASAP) provides support to men, women and families experiencing domestic abuse to enable them to feel safe in accommodation of their choice. The project works in partnership with Aberdeen City Council's Housing Access Service who provide temporary and alternative accommodation, while Aberdeen Cyrenians offer a package of support.

While we expected to support approximately 100 people per year, during the reporting period, 164 people received support (152 women and 12 men). We continue to see a greater need for DASAP than predicted, when the project began.

The Care Inspectorate performed an inspection in November 2016. The service was graded as 5 - Very Good, in all the areas inspected.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Achievements and performance *(continued)*

Street Alternatives Project

The Street Alternatives Project provides hot food, laundry facilities and personal care facilities. The service is now provided under the supervision of two volunteer co-ordinators and more than 90 volunteers. All volunteers receive a hands-on induction with a Volunteer Coordinator, tailored to their volunteer role, and working alongside a team of experienced volunteers. All volunteers also attend a group formal induction session, which includes a joint exercise and a chance to discuss different scenarios that might occur, as well as discussion about Aberdeen Cyrenians' policies and procedures. Twice a year volunteers are invited to attend Group Support and Supervision sessions.

Aberdeen Cyrenians acknowledge that the support of volunteers is very valuable. Individual and group contributions are recognised at the Aberdeen Cyrenians Staff and Volunteer Recognition Awards as well as at volunteer Christmas dinners hosted by staff and Council of Management Committee members.

Street Alternatives continues to open every day over the Christmas period, including public holidays, to compensate for the gap in food services available in the city when other services close. Over Christmas, festive activities are organised and traditional meals are provided, with all the trimmings, with gifts for all of our service users.

The Assertive Outreach Street Begging Service began in April 2017 providing support to vulnerable people enabling them to address the underlying reasons for street begging. This Service works closely with the Street Begging forum in Aberdeen.

Winter 2017 has seen the development of a new Assertive Outreach Service targeting rough sleepers. Over the winter period, we supported over 76 people who for various reasons found themselves homeless and having to sleep rough on the streets of Aberdeen. We are very proud of the outcomes achieved by the service in securing temporary accommodation or alternative arrangements for all those engaged with over the winter months.

External Agencies

Aberdeen Cyrenians is registered with various external agencies that may monitor services provided. These include:

- Aberdeen City Council - Approved Providers List
- Office of the Scottish Charity Regulator
- Care Inspectorate
- Child Poverty Action Group
- Scottish Social Services Council for the registration of staff
- Disclosure Scotland
- Aberdeen City Council - Environmental Health
- Aberdeen City Council - Registered Landlord
- Aberdeenshire Council - Registered Landlord

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Financial review

Main Funding Sources:

65% of our income comes from Aberdeen City Council through Social Care and Communities, Housing and Infrastructure Committees for the provision, under contract, of residential care and support, housing support and advice, currently at Margaret House, Wernham House and the Advice, Information and Support service from Summer Street.

The vital Drop In service and the Street Alternatives projects are currently funded from trusts and foundations, corporate and public donations and the Fairer Aberdeen Fund. We continue to seek longer term funders for these services.

The Violence Against Women and the Domestic Abuse Support and Accommodation Project have received funding during the year from the National Lottery through the Big Lottery Fund. The Violence Against Women Project also received funding from the Scottish Government through the Voluntary Action Fund, through the Henry Smith Charitable Trust and the Volant Trust.

The Garfield Weston Charitable Trust have contributed vital funding during the year to be used in the forthcoming year.

We continue to be extremely grateful to the many individuals and corporate donors who fundraise and make donations to us, supporting various projects.

Review of 2017 - 18:

In line with the challenging economic climate in Aberdeen, generating the vital fundraising income for the ongoing work of Aberdeen Cyrenians has also become more and more challenging. Losses generated by Residential and Community Projects were financed from fundraising in the year, creating an overall surplus of £72,483.

Aberdeen Cyrenians participates in the North East Scotland Pension fund (previously Aberdeen City Council Pension fund), which is a part of the Local Government Pension Scheme (Scotland), a multi-employer scheme. The LGPS is a defined benefit scheme. As at 31 March 2018, the proportion of the deficit on the scheme relating to employees past and present was £2,301,000 (2017: £2,772,000) and this is being reduced by an increased premium being paid by Aberdeen Cyrenians relating to all current employees who are participating in the scheme. As such, this deficit does not affect the organisations underlying activities. In addition, this deficit is covered by a guarantee from Aberdeen City Council. The directors are therefore of the opinion that reflecting this deficit in the balance sheet, as required under Charities SORP (FRS 102), would not present the true financial position of the organisation as it will not impact on the organisations ability to meet its ongoing obligations.

In recent years, we have endeavoured to increase reserves, but this has always been difficult as reserves can only increase as surpluses are generated. However, as at 31 March 2018, total Reserves are £814,527 (2017: £742,044) representing 37% of annual expenditure or 4 months expenditure.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Financial review *(continued)*

The levels of the various designated funds and restricted funds and their purposes are set out in Note 19 to the accounts. The Council of Management continues to review the adequacy of reserves on a regular basis and believes that it is appropriate that the total reserves held should be between 3 and 6 months of the annual resources expended to enable the organisation to continue its current activities in the event of a significant drop in funding.

The Council of Management have assessed the major risks to which the charity is exposed and has identified that the major financial risks relate to the economic environment in which we operate and the challenge of ensuring the income supports the cost of activities. The Council of Management have identified that the best management of this risk is the production and regular review of management information, the ongoing development of community relations and potential further sources of corporate and trust funding in line with the Fundraising Strategy.

Plans for future periods

The Council of Management is currently reviewing the organisation's Business Plan with the intention of continuing to develop our community and residential services, which support vulnerable and homeless people. The plan also focuses on giving consideration to other opportunities to provide additional services to our service user group.

Going forward, ongoing services will be assessed and developed in the light of the needs of the community as identified in liaison with Aberdeen city Council.

Structure, governance and management

Aberdeen Cyrenians is a membership organisation and the Council of Management is elected from the members. Membership is open to anyone who supports the objectives of the organisation. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2018 was 75. The process for appointing members for the Council of Management is outlined below.

Where there is a requirement to recruit new members for the Council of Management, there are a number of ways that this can be initiated:

- a skills audit of existing members may inform the process of recruiting new members;
- existing members can put themselves forward at the Annual General Meeting;
- expressions of interest might be sought from the members of Aberdeen Cyrenians;
- public advertisement for new members; and/or
- members of the Council of Management putting forward the names of suitable individuals.

Appointments to the Council of Management are made either as per paragraph 7.2 of the Articles of Association or at a General Meeting, and must comply with paragraphs 7.1 and 7.3 of the Articles of Association.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Structure, governance and management *(continued)*

A selection panel consisting of the Chairperson and/or Vice-Chairperson and/or other delegated Council of Management member along with the Chief Executive will meet with prospective candidates to (a) provide further information to the candidate; (b) outline the responsibilities and requirements in relation to serving on the Council of Management; and (c) evaluate the competencies and commitment of the prospective member. The selection panel will then make a recommendation to the full Council of Management.

As part of their induction, all new members will receive copies of the:

- Governance of Aberdeen Cyrenians;
- Memorandum and Articles of Association;
- Strategic Plan (and any reviews);
- Aims & Values Policy;
- The latest Annual Report & Financial Statements; and,
- Minutes of meetings over the past twelve months.

There are normally two induction sessions. One session will cover the history of the organisation, the work of the projects, aims & values and the wider context. The second session will focus on finance.

The Council of Management is responsible for setting and reviewing the overall strategy of the organisation, for organisational policies, for formal contractual agreements and is the employer of all staff. It meets about 10 times a year for this purpose. This usually includes an annual "Away Day" which provides the opportunity for the Council to take stock of policy and strategic issues impacting on Aberdeen Cyrenians and the position regarding homelessness within the catchment area.

At regular meetings, the Council of Management monitor the management accounts, consider human resource, health and safety and fundraising matters and receive reports on the projects and from external regulators.

The Council of Management periodically reviews the major risks to which the charity is exposed and identifies and appraises the controls in place together with such additional controls as are required to minimise risks.

Operational matters are delegated to the Senior Management Team.

The Senior Management Team is responsible for the implementation of the Strategic Plan, for all service delivery policies, for ensuring that all areas of work have operational plans which are regularly reviewed and for the proper day-to-day management of the organisation including complying with all internal and external regulations, particularly within the context of our aims and values.

The Council of Management, who are the charity trustees, consider themselves and the Chief Executive to be the key management personnel of the charity in charge of directing and controlling the operations of the charity. All trustees are volunteers and no trustee received remuneration in the year.

The remuneration of all employees, including the Chief Executive, is reviewed annually at the time of setting the annual budget and increased in accordance with inflationary and average earnings increases. A benchmarking exercise is carried out by the charity to ensure remuneration is in line with the charity sector.

Aberdeen Cyrenians Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Reference and administrative details

Registered charity name	Aberdeen Cyrenians Limited
Charity registration number	SC014849
Company registration number	SC070903
Principal office and registered Office	62 Summer Street Aberdeen AB10 1SD

The trustees

Dr John Love MA (Hons), PhD	(Resigned 6 December 2017)
Mr William Campbell MSc	(Resigned 25 April 2018)
Mr Daniel Fraser, FCIBS	
Mr Joachim Greiling MTh	
Ms Mairead Keigher	(Resigned 23 June 2017)
Ms Sarah Smith	(Resigned 26 April 2017)
Mr Rory McPherson	(Resigned 6 December 2017)
Mrs Sharon Munro	
Mrs Gail Smith	(Resigned 20 September 2017)
Ms Rebecca Clare Walker	
Ms Alison Christie	(Appointed 6 December 2017)
Mr Colin Hossack	(Appointed 6 December 2017 - Resigned 31 July 2018)
Mr Bruce Bricknell	(Appointed 6 December 2017)
Mrs Eilidh Calvert	(Appointed 6 December 2017)
Mr Gary Clacher	(Appointed 6 December 2017)
Mrs Frances Robertson	(Appointed 6 December 2017 - Resigned 13 June 2018)
Ms Sian Rees	(Appointed 6 December 2017)
Mr Christopher Bennett-Taylor	(Appointed 6 December 2017)

Senior Management Team

Ms Susan Montgomerie MA, CQSW, Chief Executive	(Resigned 31 October 2017)
Mr Michael Burns BA, Dip Eq, Dip Ed, Dip SW, MSc, Chief Executive	(Appointed 18 September 2017)

Auditor	Williamson & Dunn Chartered Accountant & Statutory Auditor 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW
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Bankers	The Royal Bank of Scotland plc St Nicholas Branch 78 Union Street Aberdeen AB10 1HH
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Aberdeen Cyrenians Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Reference and administrative details *(continued)*

Solicitors	Shepherd and Wedderburn LLP 2 Rubislaw Terrace Aberdeen AB10 1XE
Other Advisors	Bruce Tait Associates 12 Pitt Terrace Stirling FK8 2EZ
	InvolvHR LLP 3rd Floor Office, Navigator House 77 Waterloo Quay Aberdeen AB11 5DE

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2018

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Williamson & Dunn C.A. have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 29 August 2018 and signed on behalf of the board of trustees by:



Dan Fraser
Chairperson



Gary Clacher
Treasurer

Aberdeen Cyrenians Limited

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Independent Auditor's Report to the Members and Trustees

Year ended 31 March 2018

Adverse opinion

We have audited the financial statements of Aberdeen Cyrenians Limited (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, because of the significance of the matter detailed in the Basis for Adverse Opinion paragraph, the financial statements:

- do not give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- with the exception of the matter noted in the basis for adverse opinion, have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for adverse opinion

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

As explained in note 18, the charity participates in the North East Scotland Pension Fund which is part of the Local Government Pension Scheme (Scotland), a multi-employer defined benefit scheme. An actuarial valuation has been obtained identifying the charity's net defined liability as at 31 March 2018, 31 March 2017 and 1 April 2016. The charity has not recognised the liability of £2,301,000 as at 31 March 2018 and £2,772,000 as at 31 March 2017 in its Statement of Financial Position. The pension scheme is therefore accounted for as a Defined Contribution Scheme with contributions payable to the pension scheme, charged to the Statement of Financial Activities in the period to which they relate. Under FRS 102 SORP 2015, the net defined benefit liability should have been recognised in the financial statements as at 31 March 2018 and 31 March 2017 and movements in the liability from the prior year reflected in the Statement of Financial Activities. The effect on the financial statements is that the Statement of Financial Position would show net liabilities of £1,486,473 as at 31 March 2018 and £2,029,956 as at 31 March 2017 and the Statement of Financial Activities would show a net movement in funds of £543,483 surplus at 31 March 2018 and £(1,205,764) deficit at 31 March 2017.

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Independent Auditor's Report to the Members and Trustees *(continued)*

Year ended 31 March 2018

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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Independent Auditor's Report to the Members and Trustees *(continued)*

Year ended 31 March 2018

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report, included within the trustee' annual report, and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members and Trustees *(continued)*

Year ended 31 March 2018

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors 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, the charity's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kathleen Kirkland MA CA

Kathleen Kirkland MA CA (Senior Statutory Auditor)

For and on behalf of
Williamson & Dunn
Chartered accountant & statutory auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

29 August 2018

Williamson & Dunn is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2018

		2018		2017	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	253,061	205,962	459,023	375,071
Charitable activities	6	46,083	1,723,025	1,769,108	1,625,514
Other trading activities	7	14,297	3,170	17,467	30,544
Investment income	8	531	21	552	1,805
Total income		<u>313,972</u>	<u>1,932,178</u>	<u>2,246,150</u>	<u>2,032,934</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies		93,300	–	93,300	120,776
Expenditure on charitable activities	9	–	2,080,367	2,080,367	1,895,922
Total expenditure		<u>93,300</u>	<u>2,080,367</u>	<u>2,173,667</u>	<u>2,016,698</u>
Net income		<u>220,672</u>	<u>(148,189)</u>	<u>72,483</u>	<u>16,236</u>
Transfers between funds	14	(134,000)	134,000	–	–
Net movement in funds		<u>86,672</u>	<u>(14,189)</u>	<u>72,483</u>	<u>16,236</u>
Reconciliation of funds					
Total funds brought forward		<u>713,556</u>	<u>28,488</u>	<u>742,044</u>	<u>725,808</u>
Total funds carried forward		<u>800,228</u>	<u>14,299</u>	<u>814,527</u>	<u>742,044</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 20 to 32 form part of these financial statements.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2018

	Note	2018 £	£	2017 £
Fixed assets				
Tangible fixed assets	15		3,302	4,171
Current assets				
Debtors	16	116,417		78,785
Cash at bank and in hand		<u>1,200,192</u>		<u>1,100,244</u>
		1,316,609		1,179,029
Creditors: amounts falling due within one year	17	<u>505,384</u>		<u>441,156</u>
Net current assets			811,225	737,873
Total assets less current liabilities			814,527	742,044
Net assets			814,527	742,044
Funds of the charity				
Restricted funds			14,299	28,488
Unrestricted funds			<u>800,228</u>	<u>713,556</u>
Total charity funds	19		814,527	742,044

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 29 August 2018, and are signed on behalf of the board by:



Mr Daniel Fraser, FCIBS
Trustee

Company Registration Number - SC070903

The notes on pages 20 to 32 form part of these financial statements.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2018

	2018	2017
	£	£
Cash flows from operating activities		
Net income	72,483	16,236
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,764	2,151
Other interest receivable and similar income	(552)	(1,805)
Accrued expenses	84,503	20,850
<i>Changes in:</i>		
Trade and other debtors	(37,632)	(14,125)
Trade and other creditors	(20,275)	12,822
Cash generated from operations	<u>100,291</u>	<u>36,129</u>
Interest received	552	1,805
Net cash from operating activities	<u>100,843</u>	<u>37,934</u>
Cash flows from investing activities		
Purchase of tangible assets	(895)	(1,661)
Proceeds from sale of subsidiaries	-	100
Net cash used in investing activities	<u>(895)</u>	<u>(1,561)</u>
Net increase in cash and cash equivalents	99,948	36,373
Cash and cash equivalents at beginning of year	1,100,244	1,063,871
Cash and cash equivalents at end of year	<u>1,200,192</u>	<u>1,100,244</u>

The notes on pages 20 to 32 form part of these financial statements.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is 62 Summer Street, Aberdeen, AB10 1SD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Companies Act 2006, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Aberdeen Cyrenians Limited meets the definition of a public benefit entity under FRS102.

Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Defined benefit pension scheme

The charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation. The assumptions reflect historical experience and current trends.

Fund accounting

Unrestricted funds consist of the general fund and designated funds. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes. They are not in any way restricted and any surplus or deficit will be transferred to/from the general fund when the designated fund is closed.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Income *(continued)*

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Items of equipment are capitalised where the purchase price exceeds £500.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	over the length of the lease
Furnishings and equipment	-	between 3 - 5 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Pension costs

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

4. Limited by guarantee

Aberdeen Cyrenians Limited is a company limited by guarantee and accordingly does not have a share capital. The members' liability is limited by guarantee not exceeding £1 per member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
General Donations	246,027	84,848	330,875
Legacies	5,314	–	5,314
Donations in kind	1,720	121,114	122,834
	<u>253,061</u>	<u>205,962</u>	<u>459,023</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
General Donations	159,971	102,607	262,578
Legacies	3,415	–	3,415
Donations in kind	9,831	99,247	109,078
	<u>173,217</u>	<u>201,854</u>	<u>375,071</u>

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Aberdeen City Council	–	1,340,492	1,340,492
Scottish Government	–	96,212	96,212
BIG Lottery Grant	–	167,779	167,779
Robertson Trust	–	–	–
Fairer Aberdeen Fund	–	25,503	25,503
Henry Smith Charity	–	44,039	44,039
Garfield Weston Foundation	–	–	–
Other Trusts and Foundations	46,083	49,000	95,083
	<u>46,083</u>	<u>1,723,025</u>	<u>1,769,108</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Aberdeen City Council	–	1,316,023	1,316,023
Scottish Government	–	40,594	40,594
BIG Lottery Grant	–	162,362	162,362
Robertson Trust	–	15,000	15,000
Fairer Aberdeen Fund	–	26,930	26,930
Henry Smith Charity	–	14,773	14,773
Garfield Weston Foundation	–	22,000	22,000
Other Trusts and Foundations	–	27,832	27,832
	–	<u>1,625,514</u>	<u>1,625,514</u>

7. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Fundraising events	13,912	3,170	17,082
Other	385	–	385
	<u>14,297</u>	<u>3,170</u>	<u>17,467</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Fundraising events	18,008	9,244	27,252
Other	3,292	–	3,292
	<u>21,300</u>	<u>9,244</u>	<u>30,544</u>

Included within Other income is £nil (2017: £2,617) which was received from Iceberg (Aberdeen) CIC prior to being dissolved.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

8. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Bank interest receivable	<u>531</u>	<u>21</u>	<u>552</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Bank interest receivable	<u>1,773</u>	<u>32</u>	<u>1,805</u>

All of the investment income arises from interest bearing bank accounts.

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Residential projects	942,686	185,935	1,128,621	1,115,273
Violence Against Women Domestic Abuse Support and Accommodation Project	131,768	25,991	157,759	125,701
Street Alternatives	98,734	19,475	118,209	109,406
Advice, Information, Support and Drop In Service	187,945	36,417	224,362	167,824
Street Begging	293,196	57,830	351,026	377,718
Rough Sleeping	26,403	5,202	31,605	–
	57,447	11,338	68,785	–
	<u>1,738,179</u>	<u>342,188</u>	<u>2,080,367</u>	<u>1,895,922</u>

10. Analysis of support costs

	Residential Projects £	Violence Against Women £	Domestic Abuse Support and Accommodation Project £	Street Alternatives £	Advice, Information, Support, Resettlement and Drop In Service £	Street Begging Service £	Assertive Outreach Rough Sleeping Service £	Total 2018 £	Total 2017 £
Staff costs	97,495	13,628	10,212	19,095	30,324	2,730	5,941	179,425	215,715
Premises	12,806	1,790	1,341	2,508	3,983	359	780	23,567	14,713
Legal & Professional fees	25,793	3,605	2,702	5,052	8,022	722	1,572	47,468	61,143
Other	49,841	6,968	5,220	9,762	15,501	1,391	3,045	91,728	36,360
	<u>185,935</u>	<u>25,991</u>	<u>19,475</u>	<u>36,417</u>	<u>57,830</u>	<u>5,202</u>	<u>11,338</u>	<u>342,188</u>	<u>327,931</u>

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

11. Net income

Net income is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	1,764	2,151
Operating Leases	166,924	156,187
Indemnity Insurance	1,686	1,664
Auditors remuneration	7,200	7,200

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	1,225,267	1,128,251
Social security costs	90,746	83,928
Employer contributions to pension plans	151,534	155,688
	<u>1,467,547</u>	<u>1,367,867</u>

In addition to the above there were redundancy payments totalling £nil (2017: £34,765).

The average head count of employees during the year was 51 (2017: 43). The average number of employees during the year is analysed as follows:

	2018	2017
	No.	No.
Residential project staff	21	21
Community project staff	18	12
Support staff	8	7
Contract staff	4	3
	<u>51</u>	<u>43</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2018	2017
	No.	No.
£80,000 to £89,999	<u>-</u>	<u>1</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £94,715 (2017:£74,816).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees during the current or previous year.

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

14. Transfers between funds

A transfer of £134,000 was made during the year from the unrestricted fund to the restricted fund (2017: £75,000) to cover losses in projects.

15. Tangible fixed assets

	Leasehold improvements £	Furnishings and equipment £	Total £
Cost			
At 1 April 2017	120,273	79,934	200,207
Additions	–	895	895
At 31 March 2018	<u>120,273</u>	<u>80,829</u>	<u>201,102</u>
Depreciation			
At 1 April 2017	120,273	75,763	196,036
Charge for the year	–	1,764	1,764
At 31 March 2018	<u>120,273</u>	<u>77,527</u>	<u>197,800</u>
Carrying amount			
At 31 March 2018	<u>–</u>	<u>3,302</u>	<u>3,302</u>
At 31 March 2017	<u>–</u>	<u>4,171</u>	<u>4,171</u>

16. Debtors

	2018 £	2017 £
Trade debtors	76,374	52,069
Prepayments and accrued income	20,968	13,351
Other debtors	19,075	13,365
	<u>116,417</u>	<u>78,785</u>

17. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	8,330	16,601
Accruals and deferred income	456,049	371,546
Social security and other taxes	24,478	34,413
Other creditors	16,527	18,596
	<u>505,384</u>	<u>441,156</u>

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

18. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £12,580 (2017: £nil).

Defined benefit plans

Aberdeen Cyrenians Limited participates in the North East Scotland Pension Fund (previously Aberdeen City Council Pension Fund), which is a part of the Local Government Pension Scheme (Scotland), a multi-employer scheme. The LGPS is a defined benefit scheme.

A full actuarial valuation is carried out every three years by a professionally qualified independent actuary using the projected unit method. In the intervening years, an interim valuation is obtained for the purpose of reporting under FRS 102. The last full actuarial valuation was carried out as at 31 March 2017. Contribution rates are based on the advice of the actuary. Contributions for the year were £138,954 (2017: £155,688).

The directors are of the opinion that the pension liability does not affect the organisations underlying activities and, as the liability is covered by a guarantee from Aberdeen City Council, to include the pension deficit in the financial statements as required under FRS 102 does not reflect a true and fair view of the charity's financial position. As a result, the financial statements have continued to be prepared on the basis that the pension scheme is accounted for as a defined contribution scheme.

If the pension liability was reflected in the financial statements, the disclosure would be as follows:

The statement of financial position net defined benefit liability is determined as follows:

	2018	2017
	£	£
Present value of defined benefit obligations	(11,965,000)	(12,868,000)
Fair value of plan assets	9,664,000	10,096,000
	<u>(2,301,000)</u>	<u>(2,772,000)</u>

Changes in the present value of the defined benefit obligations are as follows:

	2018
	£
At 1 April 2017	12,868,000
Current service cost	230,000
Interest expense	319,000
Benefits paid	(328,000)
Contributions by plan participants	40,000
Gains/losses on settlements and curtailments	(1,164,000)
At 31 March 2018	<u>11,965,000</u>

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

18. Pensions and other post retirement benefits *(continued)*

Changes in the fair value of plan assets are as follows:

	2018
	£
At 1 April 2017	10,096,000
Interest income	251,000
Benefits paid	(328,000)
Contributions by employer	140,000
Contributions by plan participants	40,000
Administration expenses	(3,000)
Remeasurements:	
Actuarial gains and losses	(532,000)
At 31 March 2018	<u>(9,664,000)</u>

The total costs for the year in relation to the defined benefit plans would have been:

	2018	2017
	£	£
Recognised in income or expenditure		
Current service cost	230,000	184,000
Net interest expense/income	68,000	52,000
Administration expenses	3,000	3,000
	<u>301,000</u>	<u>239,000</u>
Recognised in other recognised gains and losses:		
Remeasurement of the liability	632,000	(1,140,000)
Actuarial gains and losses	632,000	(1,140,000)

The fair value of the major categories of plan assets are as follows:

	2018	2017
	%	%
Equity instruments	63.30	68.00
Property	7.30	7.00
Cash	2.70	1.50
Government bonds	7.60	11.10
Other bonds	1.30	1.60
Other	17.80	10.80

The return on plan assets are as follows:

	2018	2017
	£	£
Return on assets of benefit plan	720,000	1,772,000

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

18. Pensions and other post retirement benefits *(continued)*

The principal actuarial assumptions as at the statement of financial position date were:

	2018	2017
	%	%
Discount rate	2.60	2.50
Expected rate of salary increase	3.70	3.80
Expected rate of increase in pensions	2.20	2.30
Inflation assumption	2.10	2.30
Mortality rates:		
Mortality rate current pensioners at 65 – male	22.70	22.30
Mortality rate current pensioners at 65 - female	24.90	24.90
Mortality rate future pensioners at 65 - male	25.60	24.50
Mortality rate future pensioners at 65 - female	27.90	27.80

Inclusion of the defined benefit pension liability would have resulted in a restatement of the financial statements as follows:

Retained funds

	31 March 18	31 March 17
	£	£
As stated	814,527	742,044
Pension deficit	<u>(2,301,000)</u>	<u>(2,772,000)</u>
Retained funds after pension deficit	<u>(1,486,473)</u>	<u>(2,029,956)</u>

Net income or expenditure for the year

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
As stated	72,483	16,236
Pension adjustment	<u>(161,000)</u>	<u>(82,000)</u>
Net expenditure after pension adjustment	<u>(88,517)</u>	<u>(65,764)</u>

Other recognised gains and losses

As stated	-	-
Actuarial gain/(loss)	<u>632,000</u>	<u>(1,140,000)</u>
Gain/(loss) after pension adjustment	<u>632,000</u>	<u>(1,140,000)</u>
Total net income/(expenditure)	<u>543,483</u>	<u>(1,205,764)</u>

Aberdeen Cyrenians Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

19. Analysis of charitable funds

Unrestricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
General funds	489,635	313,805	(93,300)	(134,000)	576,140
Designated Funds: Property Reserve	223,921	167	–	–	224,088
	<u>713,556</u>	<u>313,972</u>	<u>(93,300)</u>	<u>(134,000)</u>	<u>800,228</u>

The property reserve fund represents funds set aside to cover future purchases of property.

Restricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Residential and Community Services	28,488	1,932,178	(2,080,367)	134,000	14,299

This fund is to provide residential and community services.

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	3,302	–	3,302	4,171
Current assets	1,302,310	14,299	1,316,609	1,179,029
Creditors less than 1 year	(505,384)	–	(505,384)	(441,156)
Net assets	<u>800,228</u>	<u>14,299</u>	<u>814,527</u>	<u>742,044</u>

21. Operating lease commitments

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

	2018 £	2017 £
Not later than 1 year	165,704	130,362
Later than 1 year and not later than 5 years	180,188	51,954
Later than 5 years	524,600	228
	<u>870,492</u>	<u>182,544</u>

22. Related parties

During the year donations of £1,015 were received from directors (2017: £580).
