

Penrose Options

Report and financial statements

For the year ended 31 March 2023



Penrose

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Reference and Administrative details of the Charity, its Trustees and advisors

Penrose Housing Association was set up as an Industrial & Provident Society, an exempt charity, in 1969 by two ex-offenders and several volunteers to provide housing for ex-offenders. It became a company limited by guarantee, registered with the Charity Commission and changed its name to Penrose Options on the 28th of March 2013. It traded as Penrose and joined the Social Interest Group (SIG) as a wholly owned subsidiary on the 1st of October 2014. Penrose Options now trades as SIG Penrose and strives to address inequality of access to health, employment, training, and social care support for people in a range of settings, including prison, hospitals, rough sleeping, homeless or at risk of homelessness. SIG Penrose specialises in working with people who have struggled in other services as they present personal or public safety risks and as an alternative to hospital inpatient care.

Directors and Charity Trustees

The directors of the Charity are its Trustees for the purposes of charity law and throughout this document are collectively referred to as Trustees. The current Trustees and those that served during the year:

Chairman

Karl Marlowe

Other Trustees

Dylan Kerr

Stuart Jenkin

Jeff Loo

Claire Barton

Company Secretary

Michael Rutherford

Executive Officers**Group Chief Executive**

Gill Arukpe

Senior Director of Operations

Cassie Newman (Resigned – 8th
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Director of Finance & Resources

Michael Rutherford

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Charity registration number

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The Trustees present their report and the audited financial statements for the year ended 31st of March 2023. The reference and administration information set out on the previous page form part of this

report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives

Purposes and Aims

The objects of SIG Penrose as set out in the Articles of Association are for the public benefit:

- To relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse, alcohol or other addictive behaviour, people in the criminal justice system, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick, and to assist and relieve such persons' family, dependents and other carers who are in need as a result of that person's problems;
 - a) Providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement and care services
 - b) Providing education, training, employment, mentoring and other similar services
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

The Trustees review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the Charity has brought to the people that it is set up to help. The review also helps the Trustees ensure the Charity's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Activities

Our services are as far-reaching as our resident and participant profiles.

We provide practical social support and health care solutions, supported housing in residential accommodation, resource centres, floating support and Housing First services. Our specialist rehabilitation, technical and therapeutic support aids recovery, reduces reoffending and changes behaviour. In Luton, we provide floating support and social services that prevent people from becoming homeless or help secure accommodation should they need it, and specialist services, working with women who have been sexually exploited and may have substance and alcohol issues. On the 8th of August, SIG Penrose's flagship service, Penrose Drive (an Independent Approved Premises), opened its doors to men who served long sentences and require a level of supervision on release from prison. We currently operate across London, Bedfordshire and Luton and have the ambition to grow.

Chief Executive's Statement

With figures showing 1 in 4 adults predicted to experience a common mental health disorder, and 10% will experience depression in their lifetime, our services find themselves amid a mental health crisis. The pandemic's legacy effects have made access to primary and secondary healthcare increasingly difficult. Economic and social imbalances continue to grow with substantial increases in homelessness and number of people in prison.

The number of families and single people in temporary accommodation is rising daily. We continue to see a rise in people referred to us who have spent long periods in hospitals, prison and being homeless. Often requiring a high degree of support for harm-reduction, reablement after long-term mental ill-health and disorders, increase in suicidal tendencies, depression, dual diagnosis, alcohol dependency, and illegal and prescription substance use.

Charities are under severe financial strain. Facing soaring energy bills and declining incomes as some grant givers and commissioners cut back against a significant rising demand in people needing our support and care. The recruitment issues in the sector continue to make staff retention and growth challenging as we compete to hire and retain the best people. Research shows a high percentage of the sector using their reserves to support contracted work, which is not sustainable. I am pleased to say we have not had to do this.

We have worked hard to make working at SIG Penrose a rewarding experience personally and professionally and to find the best ways to offer support to reduce the impacts of rising fuel and living costs. We kept salaries at the London and Living Wage, carried out a salary review, gave two staff pay awards and increased our bank pay hourly rate by 3%.

This year, we joined the lobby for the government to provide more help to our sector. In January, we launched a new vision and mission: to stop the inequity of access to public services and opportunities for a good home, health care, social support, and employment. We will address the imbalance through new partnership working, influencing policy change and driving local systems change to bridge gaps in provision and break down barriers.

We remain committed to supporting local authorities, health trusts and the Ministry of Justice and HMPPS in the development of solutions for people experiencing homelessness, stepping down from hospital or returning from prison or living on the street. SIG Penrose is exceptionally skilled at finding solutions that support people with the highest support needs.

This year, we took on an additional units of accommodation, opening up a vital new housing pathway in Kensington and Chelsea for a range of people, including refugees. We officially opened our first Independent Approved Premises (IAP), Penrose Drive to support men in the criminal justice system requiring high supervision, where we have been delivering our programmes.

We continue to secure our long-term financial stability through contract retention, growth and income diversification. We retendered for and won several crucial long-running service contracts, helping people secure and retain accommodation and supporting various social needs. Our Housing and Maintenance Team increased rental income, helping improve our free funds to utilise and deliver new activities, programmes and service innovations.

Finding ways to take the pressure off the NHS across mental health, personality disorders, homelessness and substance and alcohol use remains a priority. We grew our Peer Mentoring Programme and volunteering driven by our certified peer mentoring training course funded by Health Education England. We continue to utilise trainees with lived experience across projects, focusing on people at the highest risk of suicide and self-harm, drug and alcohol overdose and disengagement with treatment services.

I look back at all our achievements across SIG Penrose and the Group during 2022/23. Not only have we supported thousands of people, but we continue to overcome the challenges we face, changing how we work to improve and enhance the quality and performance of our services and implementing new services and projects to grow and extend our impact.

A handwritten signature in purple ink, appearing to read 'Gill Arukpe', is positioned above the printed name.

Gill Arukpe, Group Chief Executive
6th December 2023

Strategic Report

Results and Impacts

Penrose Options Services

Penrose Options supported 2,483 people. Of these, we supported 2,308 residents living and recovering from poor mental health and disorders, homelessness, and trauma. Over 85% of move-on were positive, including transferring into independent living and step-down accommodation. Less than 1% of residents experienced unplanned returns to prison and to hospital during their time in our care.

KPI	TARGET	ACTUAL	
% positive move-on	>85%	85.1%	Positive Move-on means people who secure independent accommodation or move into a safe location for continued support from our residential services.
% Unplanned return to hospital	<3%	0.3%	
% Convicted of new offence	<3%	0.0%	
% Unplanned return to prison	<3%	0.5%	

Total departures	1,767
Positive move-on	1,504
Total clients seen	2,483
Unplanned return to hospital	8
Convicted of a new offence	0
Unplanned return to prison	12

Luton Residential Services

- 924 Key Worker sessions
- 908 life skill sessions
- 170 group activities with a total of 492 client attendance to the activities

Synergy and Mental Health Floating Support Services

SIG Penrose's Community Based services include Synergy, STEPS Hospital Discharge service and Blended Worker roles embedded within the Community Mental Health Transformation (CMHT).

BLMK (Beds, Luton, Milton Keynes) Community Mental Health Transformation

SIG Penrose is a lead VCSO in Luton, delivering services alongside the NHS and offering support for patients with Severe Mental Illness (SMI). We are already seeing innovation in our services, with Luton Penrose 'blended workers' delivery model, working closely with East London NHS Foundation Trust (ELFT). SIG Penrose was the first VCSO to pilot the 'blended teams' approach in Luton, supporting East London Foundation NHS Trust (ELFT). The Blended Work Initiative with ELFT has been running for 18 months. SIG Penrose's Blended Workers Team comprise two Mental Health Transition Workers and an Outreach Worker, fully funded by ELFT.

Based in the Community Mental Health Team's local offices, the team accesses NHS equipment and databases and is starting to adopt the Dialog+ approach to patient-led care and joint support planning. SIG Penrose's Housing Related Support specialism enables NHS Care Coordinators to refer directly, bolstered by SIG Penrose's attendance at Multi-Disciplinary Team Meetings (MDTs) and Triage Meetings.

This year, we continued to develop and establish these ways of working with ELFT's Transformation Lead, focusing on the need for supported housing as part of acute Mental Health services and co-designing procedures and governance as the framework for future blended teams. Two Mental Health Housing Leads and a Mental Health Community Engagement Coordinator role have been created as part of improved working practices.

SIG Penrose is a lead at the BLMK VCSO Strategy Group, agreeing on Terms of Reference, reviewing and feeding into the NHS Joint Forward Plan, and contributing to discussions on the NHS Winter Plans 23/34, focusing on 'Virtual Wards' and Patient Flow. SIG Penrose expects to be part of a working group to develop proposals with VCSOs at the heart of the plans.

Client Transformations

Joseph's Story

Resettlement can be a challenging time for many. Joseph needed help to resettle in the community. He was living in temporary accommodation when he came to Penrose Synergy Universal for support to live in the community and manage his accommodation. He was using drugs and was engaging with Resolutions, a drug recovery service. He was struggling financially, was in rent arrears and needed help to set up a Repayment Plan.

Synergy contacted the Council to set up a payment plan consisting of weekly payments to help Joseph get back on track. The council had moved him to more secure and settled sheltered accommodation. Still, with no white goods or furniture on the property, Joseph wasn't optimistic about his future as he owned nothing. Synergy used its Luton Borough Council's *Household Fund* to buy white goods and furniture for Joseph, including a fridge, washing machine, microwave, plates, a bed and bedding, which was of great help to him, and soft furnishings like rugs for the lounge and bedroom to ensure it felt more homely. Due to his change of address, Joseph needed Synergy's help to change from Employment and Support Allowance to Universal Credit. Synergy persuaded Universal Credit to accept Joseph's application by phone as he couldn't manage an online account. During such challenging times, Synergy signed Joseph up to local food banks, ensuring he had additional support. Joseph engaged well with SIG Penrose, has settled into his home and was very grateful for the help.

Our Focus

Cost of living and inflation support

We prudently capped our fuel charges for all our accommodations in the Group before the beginning of the financial year, ensuring fuel increases would not heavily impact us before 2024. We started discussions with commissioners during the year regarding uplifts to service contracts. In conjunction with the two pay increases for frontline staff, we began creating a comprehensive remuneration strategy for the Group. SIG already pays the Living Wage in and outside of London. However, we engaged an external consultant to benchmark salaries against peer and competitor organisations. We started exploring realistic options for ongoing support for staff and people using our services, working through our EDI Ambassador Group and Staff Council.

Recruitment

With thousands of Support Worker vacancies per week across the UK, we plan to attract new candidates into health and social care as a career choice. We focused on coherent recruitment, robust training programmes, onboarding processes and apprenticeships. Part of this work included building a dedicated careers microsite and implementing a New Applicant Tracking System (ATS) that went live at the end of the year to streamline the recruitment process.

Brand Refresh

We undertook the brand refresh to strengthen and galvanise the Group and enhance our excellent reputation in supporting the hardest-to-reach to create positive change for people and communities. We worked with staff, residents, and participants across the Group to shape the vision of our rebranding and launched our new visual identity in June. This momentous change project supports our growth as we take on new areas of work and new subsidiaries, expanding our horizons on a public stage.

Theory of Change rollout

Our newly developed Theory of Change articulates our unique approach to positively impacting the lives we support. This transformation journey focuses on three elements to make a crucial difference: identity, relationships and community. We launched the Theory of Change at our Staff Conference in October as we begin embedding it into our working methods to ensure best practice is achieved and evidenced. Learn more about our Theory of Change at www.socialinterestgroup.org.uk.

Reimagining the way we work

'Reimagine the way we work' is an organisation-wide review to use SIG's central resources better to maximise impact and income and improve quality whilst reducing risk. We launched several initiatives and implemented changes over the year to enhance the quality and performance of our services:

Housing Management

We undertook a housing management review, working with an external housing consultant to understand how we continually improve our housing management function and accommodations. Alongside this, we rolled out a programme of property evaluations through the Best Practice Team, comprising site visits, surveys, and focus groups to gain insights into service and property satisfaction levels and any improvement needs. This significant piece of work is ongoing into 2023.

Greater use of technology within our service model

We launched STARS, a new Staff Rota System, to embed the latest technology. STARS is a web-based application accessed through a desktop, laptop, or mobile phone, regardless of a user's location. The system allows frontline staff to view the calendar for their service and upcoming shifts, check rotas and search for available bank shifts, staff contacts, and service details. The application also provides driving directions and the latest news for each service. An all-staff webinar introduced the system, and

resources made available on the staff intranet included 'How to' videos. We continue to develop new functionality into 2023.

Quality and Performance

We grew our Compliance, Risk and Audit Team to develop further Risk Management, Governance, Safeguarding and Health and Safety within SIG. We launched new Quality and Performance meetings to support operational teams to focus on essential priorities and reduce duplication. Meetings provide a platform to share what is working well, what they are proud of, and where we, as a SIG community, need to improve processes, best practices, and training.

Staff Safety

We are committed to creating the safest environment for staff. This year, we added two new modules to our staff risk management training to enhance support for the growing number of people coming to us with highly complex support and care needs. Additionally, we set up a Quality Review Group and Safeguarding Review Group to strengthen how we capture trends, concerns and learnings across the Group and ensure staff meet the expected standards of our Quality Handbook, a digital best practice guide introduced last year.

Activity Forum

We launched our new Activity Forum, bringing together Activity Coordinators and Programme Facilitators from across the Group to look at how we consistently deliver interventions and activities. Discussions ensure the inclusion of participants, residents, and staff with a commitment to take forward initiatives. *SIG Run Club* is one such initiative.

Property Strategy

With move-on options for residents continuing to dwindle, the Housing and Maintenance Team took on more accommodation units to provide greater opportunities for residents. Rental income increased to 36% of our revenue model to help towards our future sustainability. Our journey to becoming a registered social housing provider continues as part of our long-term ambition to buy accommodation to strengthen our income and retention of contracts and ensure we can provide long-term housing for people in the greatest need.

Significant Events

Investors in People

SIG was awarded Investors in People, an important accreditation, particularly in supporting our growth plans. We worked over many months with staff to achieve this. We continue our Investors in People journey, using the findings from the review to shape our 3-year strategic plan starting next year. We started developing our reward and recognition strategy to ensure we make working at SIG a rewarding experience personally and professionally by offering growth and development.

ISO90001

We received ISO9001 accreditation in January. ISO remains a necessary certificate held by SIG, assuring stakeholders that we have effective systems and processes and work to improve continuously. SIG has maintained certification since its inception.

Enabling Environments Award

All three Offender Personality Disorder (OPD) accommodation sites achieved the Enabling Environments Award by the Royal College of Psychiatry. This is an extraordinary achievement and places our OPD services among the best in providing the highest quality. Feedback from residents and participants using the service is central to evidencing an enabling culture and treating them as a community working towards achieving their positive outcomes rather than service users receiving care and support.

Penrose Drive Official Launch

In November, we officially launched Penrose Drive, our first Independent Approved Premises, in partnership with HM Prison and Probation Service. The service builds on our work in the CFO Activity Hubs and our recent OPD Enabling Environments Award to help those in our care lead positive, independent lives and turn their back on crime. Penrose Drive is a crucial bridge into the community, helping prison leavers reintegrate safely into society while protecting the public. The service combines a comprehensive range of meaningful behavioural programmes, training and purposeful activities to reduce the risk of reoffending, improve self-confidence and resilience, and further employment, training and education opportunities.

LGBTQIA+ Healthwatch Luton Consultation

The Bedfordshire, Luton and Milton Keynes Integrate Care System (BLMK ICS) commissioned the Denny Review in April 2022 to understand and tackle local communities' health inequalities. Our EDI programme expanded into community consultation with an invitation to facilitate their 'Denny Engagement' of local LGBTQIA+ community members disproportionately affected by COVID-19 across the region. Our EDI Ambassadors offer additional support and information on protected characteristics covering Faith and Religion, Age, Menopause, Marriage and Civil Partnership, Gender Reassignment, Gender, Race, Maternity and Paternity. Luton Healthwatch commissioned a programme of work for our EDI Ambassadors to facilitate online and face-to-face consultations to learn more about LGBTQIA+ community members' experiences accessing health and social care services and identify priority areas to reduce inequalities. Their feedback will help shape and plan for the Integrated Care System by improving services to meet people's expectations across BLMK.

Voluntary Sector Safeguarding

Healthwatch Luton invited SIG Penrose to join a new strategic co-production initiative for VSOs in Luton. SIG Penrose is now a part of a VSO sub-group of the Luton Safeguarding Adults Board (LSAB). The LSAB meets quarterly and aims to safeguard the most vulnerable in the community while adhering to 'Making Safeguarding Personal.' The VSO sub-group involves experts by experience and provides a space for VSOs to learn about adult safeguarding and shape the strategic pathways of the LSAB.

Financial Review 2022/23

SIG Penrose made a surplus of £505k (2021/22 - £556k) during the year. This results in an unrestricted fund balance of £2,484k at 31st March 2022 (2021/22 - £2,145k). In addition, it had a restricted fund balance of £3k (2021/22 - £3k).

The pensions reserve at the end of the year was £574k and relates to the past service deficit liability relating to the defined benefit Social Housing Pension Scheme. The triennial valuations in 2008, 2011, 2014, 2017 and 2020 resulted in member organisations being charged a levy to bring the scheme back into surplus. These triennial valuation deficit contributions are reflected in the SoFA and provisions of SIG Penrose. The charity closed its participation in this pension scheme but remains liable for an element of the deficit.

Given the wider economic environment and on-going changes and increased competition within the sector, the Trustees consider the results in respects to revenue levels to be acceptable. Therefore, it is essential that moving forward our focus remains on developing new services, new funding models, effective and financially efficient models of service delivery whilst addressing the issues causing the deficit.

The principal funding sources remain Local Authority block contracts largely for our resettlement projects alongside funding from Clinical Commissioning Groups and NHS Trusts towards our work with people recovering or living with mental ill health and or personality disorders, and the work we do with preventing homelessness and homeless people.

The Ministry of Justice funds our Criminal Justice Service via the prime contractor MTC Novo. The Trustees are appreciative of the funding received from its funders including those statutory commissioners for the work streams they support as well as the vital non-statutory funding received from individuals, trusts and foundations.

Principle risks and uncertainties

SIG Penrose has a risk management strategy, which is overseen by the Trustees. The risk register is reviewed monthly by the Executive Management Team, in consultation with all managers, and subsequently by the Trustees at each quarterly Board meeting. The principal risks are that a resident or participant commits a serious act and that there is class A and/or B drug use on our premises. This is not surprising in view of the activities undertaken by SIG Penrose. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well trained staff, incident and near miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our residents and participants, responsible officers, and the police. In addition, SIG Penrose is experiencing great difficulties in procuring properties either for rent or outright purchase, given that we cannot expand at the rate of demand or that we may lose contracts.

Another significant risk is the pension deficit contributions made to TPT and to the KCC to fund the shortfall in the pension liability of the schemes. The risk is regularly reviewed to ensure any contributions are affordable and do not place a significant financial burden on the Charity.

Reserves policy and going concern

Reserves are needed to innovate solutions for our stakeholders, (both residents, participants and commissioners) and bridge the funding gaps between spending on services and recovering these from subsidiaries by providing working capital. In addition, reserves are required to facilitate investment in fixed assets in the form of properties for leasing to subsidiaries for the provision of their services. The Trustees evaluated the commitment to future expenditure against likely future income streams and believe that a regular review of reserve levels is appropriate. SIG Penrose aim to make a small surplus for retention and reinvestment purposes, which increases the free reserves. Following a review of the reserves required following growth, the reserves target increased to £880k, an increase of £380k. The actual free reserves, excluding the past service pension liability, as at 31st March 2023 are £2,487k (21/22 - £2,148k). It is held at this higher level because on the pension liability. The Trustees will continue to review the reserves policy and position.

Actions to strengthen the financial position going forward include diversification of funding, including the growth of the business development team to secure additional funds through fundraising and securing and opening a number of new projects, as well as the closure of projects that were not financially viable. In addition, there are concerted management efforts to increase occupancy and reduce void rates and minimise the use of expensive agency staff.

After making enquiries, the Board of Trustees has a reasonable expectation that SIG Penrose has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. SIG Penrose has financial resources together with long-term cash generating assets. As a consequence, the Board of Trustees believe that SIG Penrose is well placed to manage its business risks successfully. For this reason, they continue to adopt the going concern basis in preparing SIG Penrose's financial statements. Whilst the Pension deficit is large, there is a robust repayment plan to reduce this over time, and that there are no material uncertainties related to events or conditions that may cause significant doubt about the ability of SIG Penrose to continue as a going concern have been identified by key management personnel after taking into account the relevant facts and circumstances.

Plans for the Future

At SIG Penrose, we pride ourselves on being a learning organisation, constantly developing and innovating to adapt to changes in our environments, and ensuring we continue to focus on delivering the best possible outcomes to the people we support. Over the next five years, our ambitions include:

Delivering **permanent, quality social homes** for people requiring longer-term support through SIG Housing Trust's ambitious property strategy, with support from key partners, benefactors and developers.

Decreasing the number of people rough sleeping by providing **excellent supported accommodation** services and **person-centred move-on** packages alongside the expansion of our **award-winning Synergy** model.

Becoming an employer of choice by developing a **Staff Academy of Learning**, ensuring all our staff feel safe, valued and invested, and adding value by enhancing our volunteering offer and increasing volunteer numbers to over 300.

Working with the NHS and Integrated Care Boards to **shift more mental health treatment and recovery services from the hospital to the community** by offering evidence-based and innovative alternative delivery models.

Deploying an External Affairs Team to ensure we make positive social change by sharing **frontline and lived experiences to have a meaningful influence on policy development** and provide opportunities for our participants and residents to be heard at the highest levels of government.

Supporting a fairer, more impactful criminal justice system by working collaboratively with HMPPS and other key partners to deliver positive resettlement outcomes. **Expanding our promising Approved Premises delivery model** and demonstrating its impact on people leaving prison at the highest risk.

Identifying opportunities within the prison estate to roll out sister charity, SIG **Safe Ground's unique approach to providing visitor centres**. Influence and shape cultural change in how people in prison are supported through Safe Ground's methodology and our External Affairs Team.

Extending our specialist gender-based services to women with multiple complex needs and significant enduring trauma by building on our therapeutic model of trauma and shame-informed practice to create positive, female-led environments and responding to the need to restore trust in external frameworks and wider systems change, working through our **'I Am More Than' Project** and **Theory of Change** to break the stigma and shaming narrative for women with complex needs and risks.

Growth and development to support a minimum of 30,000 people, triple income to £60 million and continue to grow and flourish, adding **three new charities** to the Group to expand and enhance our range and offer to the people we support.

New Business

Complex Needs Hub, Royal Borough of Kensington and Chelsea

In April, we successfully bid for a large complex needs contract commissioned via the Royal Borough of Kensington and Chelsea. The new agreement merged several arrangements supporting people experiencing multiple disadvantages in the Borough. SIG Penrose mobilised the Complex Needs Hub through the summer and worked with three current support providers and landlords of 18 properties to enable a smooth transition for 154 residents and existing staff teams. The new service went live on the 1st of July 2022 and was well received by its residents, participants, transferring staff, commissioners and external partners. The service provides accommodation-based housing and floating support. It delivers trauma-informed and relational support, facilitating in-reach from external partners and offers a range of coproduced group activities in properties and the hub setting.

Intensive Housing Management Support, Havering

SIG Penrose was successful in a tender for a long-term contract for subleasing several shared housing units in the Havering area, working closely with Havering Borough Council. Based in Romford, the service provides intensive housing management support to enable sustainable independent living for people experiencing multiple disadvantages. The service links to SIG Penrose's new Faringdon service, a 25-bed 24-hour assessment and stabilisation service, which provides specialist housing, programmes and support services in the community for people experiencing homelessness or at risk of homelessness and further embeds SIG Penrose in the Borough.

Retained Contracts

New Hope Forensic Mental Health Service, Lewisham

New Hope forensic mental health service was tendered by commissioners and successfully retained. SIG Penrose has delivered the service in Lewisham for over 20 years, the first of its kind. It uses trauma-informed approaches and a Psychologically Informed Environment to provide a supportive environment for people moving from inpatient care with severe and enduring mental health needs. The service offers 24-hour supported accommodation, can support up to thirteen male residents, and has provided a safe environment for hundreds of residents over the years, enabling them to progress to independent living or lower support provision successfully.

Synergy Universal Integrated Support Service, Luton

Synergy has delivered high-quality universal floating support to Luton citizens since 2012. In 2022, Commissioners retendered the service, and SIG Penrose successfully retained the contract. Synergy is well-established and respected in the Luton social care landscape, receiving many drop-in self-referrals and referrals from over 200 local organisations and agencies. The service offers a one-stop solution for local people and referrers, working collaboratively with multiple partner agencies and organisations, community, and faith groups to achieve positive outcomes, including Roots Community-Based Recovery Services, operating across Luton and Bedford. The Synergy team proactively engage in local multiagency team meetings, strategy sessions, working groups and boards, including Luton Homeless Partnership, Community Mental Health Transformation Board and Blended Team Initiative, Live Well Luton and Luton Mental Health Collaborative.

Other Group Activities

Fundraising

We recruited a grant writer in the year to help build on our first-year successes. Our funding priorities remain capacity-building grants to develop and enhance our services and technology and implement our strategic ambitions and plans.

NW London Cancer Screening Outreach

SIG secured a health inequalities grant from NHS NW London, NW London Integrated Care System and RM Partners West London Cancer Alliance to deliver cancer outreach activities across our NW London services. Led by our Group Clinical Lead, activities focused on understanding the barriers when accessing NHS national screening services and gathering feedback to understand the changes residents and participants would like to see. Our insights and findings were shared at an event attended by charities, community groups, Public Health and cancer specialists as part of a roundtable discussion. We plan to continue work in this area next year with further funding from the NW London Integrated Care System.

SIG Run Club launch

March saw the launch of SIG's first-ever Run Club. Run Club is a place for SIG Penrose staff, residents, and participants to share their journey to improved well-being. The club is made up of a mix of running abilities. Whether members have never run before or are experienced marathon runners, it is a place where they can support each other to become more active and healthier. Initially started as a virtual support group to share individual journeys, the group now arranges in-person meet-ups to officially organised running events and support each other's running challenges. The club hopes to start fundraising for SIG next year.

Root's Food for Thought Project

The Harpur Trust came on board this year with a multiyear grant to support Roots to Recovery over the next three years. This first year's grant goes towards expanding Roots into Bedford by establishing a new Community Garden on a donated site, sponsoring a Project Support Officer role to oversee implementation and develop a weekly programme of group activities for the local community.

BLMK Heads Up Suicide Prevention

Bedford, Luton and Milton Keynes Clinical Commissioning Group funded 'Growing Futures,' a pilot project to extend Roots community-based recovery service. This funding has come from a grant for suicide prevention. It will pay for new group activities supporting male inpatients on Luton Hospital mental health wards and men in contact with the criminal justice system who are at higher risk of self-harm and suicide, working alongside East London Foundation NHS Trust, Luton and Bedfordshire Probation Service and Luton Recovery College.

Renewal Funding for Roots to Recovery

Roots to Recovery is an inclusive community engagement programme supporting the social prescription service, community groups, GPs and mental health trusts to reduce social isolation and promote wellbeing through its therapeutic community garden, training and social activity programme. The service has received a Community Investment Fund grant from the Bedford and Luton Community Foundation for the past four years. This year's grant continues to make a significant difference in allowing the service to meet the growing demand by scaling up its social activities programme and covering shortfalls in funding.

Bedford Borough Council Cost of Living Grant

We secured a community grant from the council to support resilience and sustainability. The grant will cover cost-of-living workshops and additional activities for residents at our Holman House service to prepare them to move on and live independently and provide further enrichment and learning activities for those who remain in our care. Holman House is a 19-bed residential service supporting people in increasing their levels of independence.

Renewal Funding for Project CATE

We secured continuation funding for project CATE from the Bedfordshire Police and Crime Commissioner's Office to provide a specialist women's outreach service in Bedfordshire, operating out of SIG Penrose's Luton Synergy service. The service bridges gaps in providing much-needed access to current support provisions. It offers additional trauma-informed wraparound support coordination, enabling engagement for hard-to-reach vulnerable women and ensuring they remain engaged.

Health Education England

We continued our partnership with Health Education England to develop our Peer Mentoring Training Programme to support the increasing need for people with lived experience to help residents and participants in our services on their recovery journeys.

Renewal Funding for Mental Health Hospital Discharge Service

Mental health in-patient services continue to see increased demand for beds. SIG Penrose's STEPS accommodation assessment and housing-related support service for patients discharged from mental health wards in Luton and Dunstable Hospital continued seeing increased demand from people outside Luton across Central Beds and Bedford Borough. Crucially, the STEPS' delivery model comprises a dedicated STEPS Worker to ensure the perspective and needs of every patient discharged from the hospital are understood to find suitable accommodation, supporting timely discharge and helping maintain hospital bed capacity and flow in the system. This year, the service was again supported by the Bedford and Luton Community Foundation (BLCF), which has sponsored our STEPS Worker role since 2020.

Thank You

On behalf of SIG Penrose, we want to thank all our funders for their support. This new and vital funding has enabled us to extend our activities, launch new projects and pieces of work, and make a difference in the lives of the people we support across our services.

Communications

Our focus this year has been on sustainability, growth and development. We decided to focus on quality rather than quantity of content, which meant reducing social media posting to focus on refreshing our vision, mission and brand and supporting the implementation of our Theory of Change. As part of our strategic aims to make positive social change, we also started developing plans for our own External Affairs Team to showcase our work and impact and share the lived experience and voices of the people using our services to ensure they are understood and heard.

Shadow Minister Visits Luton Synergy

Sarah Owen, Luton MP and Shadow Minister for Homelessness, Rough Sleeping and Faith, visited SIG Penrose Synergy Universal office. The visit was part of SIG's strategic partnership working model, which aims to form stronger alliances with partners and agencies for greater collaboration and efficiency. The visit introduced Ms Owen to the Synergy service, which carries out vital work in the community, working with families experiencing or at risk of homelessness and broader initiatives, including Mental Health Floating Support, STEPS accommodation assessment and support service for people discharged from mental health wards in Luton and Bridge House, which supports women and children. Discussions centred on funding for families experiencing homelessness and working together

to help other areas of local need. Safeguarding the vulnerable and safe spaces for victims of domestic abuse, including SIG Penrose's specialist women's outreach project CATE, funded by the Bedfordshire Police and Crime Commissioner, was also discussed.

Synergy Universal Floating Support 10th Anniversary Celebration

SIG Penrose celebrated the tenth anniversary of the achievements of our Synergy Universal Housing-Related Floating Services in Luton. Synergy provides vital work in the community, including working with people and families experiencing or at risk of homelessness. Hosting an event to celebrate, we welcomed over 100 guests, including the Mayor of Luton, Luton South MP and Shadow Minister for Rough Sleeping, Luton North MP and Bedfordshire Police and Crime Commissioners Commissioning Team – all strong supporters of SIG Penrose's work across Luton and Bedfordshire. Since its commissioning by Luton Borough Council in 2012, SIG Penrose has developed nine new initiatives working with Synergy, offering a range of accommodation and community-based support interventions across Luton and Bedford.

Drink and Drug News National Conference

SIG Penrose Roots to Recovery team and several Roots members attended and presented at the June DDN National Conference in Birmingham to talk about Roots to Recovery, a 1.2-acre Community Garden. Roots to Recovery is part of a range of community-based recovery services across Luton and Bedford, supporting over 95 community members each week to make new friends, learn new skills, grow vegetables to share within the community and 'reset' in nature. Staff and members shared their experiences running the Community Garden and working collaboratively in the community, supporting social prescribing, greening up the borough through local conservation and environmental work, and improving mental health and wellbeing. The conference attracts over 500 delegates from across the UK with lived experience, patient groups, treatment providers, recovery community members and policymakers.

Structure, governance and management

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital (Number 08466743) and is registered as a charity with the Charity Commission (Number 115455).

Penrose Options governing instruments are its Articles of Association dated 28th of March 2013 and amended on 1st of November 2018. The sole member of SIG Penrose is Social Interest Group with effect from 1st of October 2014 and as of 1st of November 2018 the non-executive Trustees of Social Interest Group were appointed as the Trustees of Penrose Options.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Appointment of Trustees

The Trustees are listed on page 3. They hold office for an initial period of three years with the possibility of a second term of three years plus in exceptional circumstance where the trustee has specific skills, this can be extended by the board. The board consists of no fewer than three and no more than nine persons appointed by the members and the executive Trustees. No person under the age of 18 may be appointed as a trustee.

Trustees are recruited by the Nominations Committee using specialist recruitment agents and by advertisement. A rigorous interview process takes place, which includes residents and participants. Candidates attend a board meeting and visit projects before being confirmed in post by the Chairperson.

Trustee induction and training

New Trustees must familiarise themselves with the content of the Articles of Association, their legal obligations under charity and company law, the organisational structure and its recent financial performance. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. All Trustees have participated in Safeguarding training.

Related parties and relationships with other organisations

SIG Penrose is a member of Social Interest Group of which it is a subsidiary. It provides all support functions, senior management and strategic guidance. The Charity is supported in its charitable objectives by all Social Interest Group companies: Equinox Care, Safe Ground, SIG Housing Trust and Pathways to Independence.

Remuneration policy for key management personnel

The Group Chief Executive's remuneration is set by Social Interest Group non-executive Trustees. Their remuneration and all other staff are remunerated in accordance with a job evaluation process and market rates, which is reviewed by external consultants.

Policy for employment of disabled persons

In April 2019 we became a Disability Confident Employer.

It is the Charity's policy not to discriminate against persons falling under the Disability Discrimination Act 1995 for reasons of their disability whether in, or applying for, employment or in the delivery of services.

The key areas of our policy cover recruitment and employment (disabled applicants not being considered any less favourably on the ground of their disability) service delivery (disabled applicants and residents and participants not being treated less favourably on account of their disability) and information (ensuring information is accessible to all).

Employee information

The Charity requires line managers to conduct one-to-one meetings with their staff on a regular basis together with an annual appraisal.

The Executive Management Team meet on a weekly basis and updates from this meeting and the monthly Senior Managers Team meeting are disseminated to the Managers' meeting and then to the individual projects' monthly staff meeting.

The Charity takes its investment in its staff's professional development seriously and aims to provide different learning opportunities. It is the Charity's aim to see staff develop and share learning so that value can be added, and staff contribute to our growth and success. We introduced a new core training programme based around the Care Certificate made up of face-to-face and e-learning to ensure all modules are covered.

The Trustees would like to thank all staff and volunteers for their hard work and dedication during the year, in a climate that continues to be extremely challenging. We confirm that the Charity pays at least the London Living Wage to our employees working in London.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and UK Accounting Standards (UK GAAP).

Company Law 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 the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group 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 Charities SORP
- Make judgements and estimates which are reasonable and prudent
- State whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate 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 Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at the year-end was five (2022: five).

The non-executive Trustees are members of the Charity, the executive trustee is not a member of the Charity and does not have any beneficial interest in it.

The Trustees' annual report, which includes the strategic report, has been approved by the board of Trustees on 6th December 2023 and signed on their behalf.



Dr Karl Marlowe

Chairman

Opinion

We have audited the financial statements of Penrose Options (the 'charitable company') for the year ended 31 March 2023 which the comprise the statement of financial activities, the balance sheet and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and 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;

Independent Auditor's Report to the Members of Penrose Options

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Trustee meetings.

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

- Making enquiries of where management considers there was susceptibility to fraud and 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 and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure; and
- Investigated the rationale behind significant or unusual transactions.

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

- Review of the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Agreeing financial statements disclosures to underlying supporting documentation.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Penrose Options
Statement of Financial Activities (incorporating an income and expenditure account)
For the year ended 31 March 2023

Statement of Financial Activities

	Note	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2022 Total £'000
Income from:									
Donations and legacies		3	-	-	3	3	-	-	3
Charitable activities	3	13,394	246	-	13,640	9,684	214	-	9,898
Total income		13,397	246	-	13,643	9,687	214	-	9,901
Expenditure on:									
Charitable activities	4a	(13,058)	(246)	166	(13,138)	(9,257)	(214)	126	(9,345)
Total expenditure		(13,058)	(246)	166	(13,138)	(9,257)	(214)	126	(9,345)
Net income for the year		339	-	166	505	430	-	126	556
Net income before other recognised gains and losses		339	-	166	505	430	-	126	556
Actuarial (losses) on defined benefit pension schemes	13	-	-	(354)	(354)	-	-	363	363
Net movement in funds		339		(188)	151	430	-	489	919
Reconciliation of funds:									
Total funds brought forward		2,145	3	(386)	1,762	1,715	3	(875)	843
Total funds carried forward	15	2,484	3	(574)	1,913	2,145	3	(386)	1,762

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Penrose Options
Balance Sheet
As at 31 March 2023
Balance Sheet

	Note	£'000	2023 £'000	£'000	2022 £'000
Fixed assets					
Tangible assets	10		<u>268</u>		<u>65</u>
			268		65
Current assets					
Debtors	11	3,712		3,464	
Cash at bank and in hand		<u>705</u>		<u>105</u>	
		4,417		3,569	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(2,198)</u>		<u>(1,486)</u>	
Net current assets			<u>2,219</u>		<u>2,083</u>
Total assets less current liabilities			<u>2,487</u>		<u>2,148</u>
Net assets excluding pension scheme provision			<u>2,487</u>		<u>2,148</u>
Defined benefit pension scheme provision	13		<u>(574)</u>		<u>(386)</u>
Total net assets	14		<u>1,913</u>		<u>1,762</u>
The funds of the charity	15				<u>3</u>
Restricted income funds			3		
Unrestricted income funds					
General funds		2,484		2,145	
Pension reserve		<u>(574)</u>		<u>(386)</u>	<u>1,759</u>
Total Unrestricted funds			<u>1,910</u>		<u>1,762</u>
			1,913		1,762
Total Charity funds			<u>1,913</u>		<u>1,762</u>

Approved by the Trustees on 6th December 2023 and signed on their behalf by



Chair - Karl Marlowe

Penrose Options: A company limited by guarantee, Company Registration Number 08466743 (England and Wales)

Cash Flow Statement

	2023 £'000	2022 £'000
Cash flows from operating activities:		
Net income for the reporting period (as per the statement of financial activities)	151	918
Depreciation charges	44	35
Movement in long-term pension deficit liability	188	(489)
(Increase) in debtors	(248)	(599)
Increase / (decrease) in creditors	712	156
	<hr/>	<hr/>
Net cash provided by operating activities	847	21
Cash flows from investing activities:		
Purchase of fixed assets	(247)	(17)
	<hr/>	<hr/>
Net cash used in investing activities	(247)	(17)
Change in cash and cash equivalents in the year	<hr/> 600	<hr/> 4
Cash and cash equivalents at the beginning of the year	105	101
Cash and cash equivalents at the end of the year	<hr/> <hr/> 705	<hr/> <hr/> 105

Notes to the Financial Statements

1 Accounting Policies

a) Statutory information

Penrose Options is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office is 1 Waterloo Gardens, Milner Square, London, N1 1TY.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other income received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

1 Accounting Policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Central support costs

Central support costs are incurred by the parent company, Social Interest Group, and are for senior management, finance, human resources, payroll, workforce development, housing income management, quality & performance and information & communication technology. These departments are vital to the smooth running of SIG Penrose's charitable activities.

Operating leases

j)

Rental charges are charged on a straight-line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures, fittings and office equipment 25% straight line
- Leasehold improvements Straight line over the term of the lease
- Motor Vehicles 25% straight line

l) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

m) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1 Accounting Policies (continued)

p) Pensions

SIG Penrose makes contributions into a defined benefit pension scheme, which is now closed to new

SIG Penrose entrants, and a number of defined contribution schemes. For financial years ending on or before 28 February 2019, it has not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

2 Donations

SIG Penrose has received a donation of £nil (2022: £nil) from its parent undertaking, Social Interest Group and £3,086 (2022: £2,802) from other donors.

3 Charitable activities – supporting vulnerable people

SIG Penrose's activities are to relieve people in need, including but not limited to those with mental health issues, those currently suffering from substance misuse or other addictive patterns, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick. This is achieved by providing support in the form of housing, accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services. SIG Penrose income is predominantly contracted income from local authorities and NHS Trusts, and rental income and service charges from residents.

4a Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Staff costs (Note 6)	7,056	-	1,751	8,807	6,856
Recruitment & training	-	-	234	234	96
Subsistence & travel	30	-	8	38	34
Premises Costs	1,904	-	66	1,970	1,086
Office running costs	187	-	111	298	193
Insurance	-	-	117	117	82
Information technology	-	-	271	271	188
Legal & Professional	-	-	154	154	56
Depreciation	44	-	30	74	62
Audit fees	-	55	-	55	17
Other Costs	1,106	-	14	1,120	675
Total expenditure 2023	10,327	55	2,756	13,138	
Total expenditure 2022	8,620	29	1,956		9,345

4b Analysis of expenditure (prior year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs (Note 6)	5,583	-	1,273	6,856
Recruitment & training	-	-	96	96
Subsistence & travel	29	-	5	34
Premises Costs	1,036	-	50	1,086
Office running costs	96	-	97	193
Insurance	-	-	82	82
Information technology	-	-	188	188
Legal & Professional	-	-	56	56
Depreciation	62	-	-	62
Audit fees	-	17	-	17
Other Costs	673	2	-	675
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure 2022	7,479	19	1,847	9,345
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5 Net income / (expenditure) for the year

This is stated after charging:

	2023	2022
	£'000	£'000
Depreciation	44	41
Operating lease rentals:		
Property	1,888	1,033
Auditor's remuneration (excluding VAT):		
Audit	17	17
	<u> </u>	<u> </u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows

	2023	2021
	£'000	£'000
Salaries and wages	6,395	6,471
Redundancy and termination costs	8	7
Social security costs	601	603
Employer's contribution to defined contribution pension schemes	119	112
Operating costs of defined benefit pension schemes	7	7
Agency costs	1677	782
	<u>8,807</u>	<u>7,982</u>

No employee earned more than £60,000 during the year (2022: £nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £nil (2022: nil). These were borne by the parent entity Social Interest Group. The charity Trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil). Redundancy costs of £4,000 were paid in July 2023. No Trustees' expenses were paid or reimbursed £Nil (2021: £nil).

7 Staff numbers

	2023	2022
	£'000	£'000
Operational	357.3	325.7
Administration	1.0	1.0
	<u>358.3</u>	<u>326.7</u>

8 Related party transactions

SIG Penrose was charged £2,785,713 for central office functions provided by the parent charity Social Interest Group (2022: £2,124,094).

SIG Penrose was owed by SIG (its parent Company) £2,687,678 at the yearend (2022: £2,451,247).

SIG Penrose owed £333,158 to Equinox Care (a subsidiary of SIG) at the yearend (2022: £504,613).

SIG Penrose was owed by Pathways (a subsidiary of SIG) £26,299 at the yearend (2022: £112,190).

SIG Penrose owed £20,000 Milner Gibson Limited (a subsidiary of SIG) at the yearend (2022: £20,000).

SIG Penrose owed £24,470 to SIG Housing Trust (a subsidiary of SIG) at the yearend (2022: £853).

9 Taxation

SIG Penrose is a registered charity and is exempt from Corporation Tax on its charitable income as it is spent on charitable purposes.

The Charity is part of Social Interest Group VAT registration. However, as virtually 100% of its income is exempt, the VAT on purchases is irrecoverable and therefore included in expenditure.

10 Tangible fixed assets

	Motor vehicles £'000	Fixtures, fittings & Equipment £'000	Leasehold improvements £'000	Total £'000
Cost of valuation				
At the start of the year	5	154	127	286
Additions in year	25	99	106	230
Transferred assets	-	44	16	60
Disposal in year	(2)	-	-	(2)
At the end of the year	<u>28</u>	<u>297</u>	<u>249</u>	<u>574</u>
Depreciation				
At the start of the year	5	121	95	221
Charge for the year	6	22	16	44
Transferred assets	-	41	2	43
Disposal in the year	(2)	-	-	(2)
At the end of the year	<u>9</u>	<u>184</u>	<u>113</u>	<u>306</u>
Net Book Value				
At the end of the year	<u>19</u>	<u>113</u>	<u>136</u>	<u>268</u>
At the start of the year	<u>-</u>	<u>33</u>	<u>32</u>	<u>65</u>

All of the above assets are used for charitable purposes.

11 Debtors

	2023 £'000	2022 £'000
Trade debtors	441	522
Staff Loans	5	9
Amounts due from group undertakings	2,714	2,563
Other debtors	372	194
Prepayments	180	176
	<u>3,712</u>	<u>3,464</u>

12 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	218	51
Taxation and social security	151	12
Pension contributions	56	51
Other creditors	216	177
Amounts due to Group undertakings	378	526
Accruals	1,179	669
	<u>2,198</u>	<u>1,486</u>

13 Pension Scheme

The Pensions Trust - Social Housing Pension Scheme ("Scheme")

SIG Penrose Options participates in the Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

For financial years ending on or before 28 February 2019, it had not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and is used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The last triennial valuation of the Scheme overall for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April 2019.

Number of active members in the scheme

	No.
Active	3
Deferred	49
Pensioners	<u>18</u>

Financial assumptions

	2023 %pa	2022 %pa
Rate of discount	5.16	3.09
Price inflation (RPI)	3.19	3.54
Price inflation (CPI)	2.77	3.17
Earnings increases	3.77	4.17
Allowance for commutation of pension for cash at retirement	<u>75%</u>	<u>75%</u>

Other material assumptions

	years	years
Life expectancies in retirement:		
Male currently aged 65	21.00	21.10
Female currently aged 65	23.40	23.70
Male currently aged 45	22.20	22.40
Female currently aged 45	<u>24.90</u>	<u>25.20</u>

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2023 £'000	2022 £'000
Fair value of plan assets	3,476	5,502
Present value of defined benefit obligation	<u>(4,050)</u>	<u>(5,888)</u>
Net defined liability to be recognised	<u>(574)</u>	<u>(386)</u>

Reconciliation of opening and closing balances of the fair value of plan assets

	2023	2022
	£'000	£'000
Opening fair value of employer assets		
Interest income		
Experience on plan assets	5,502	5,074
Contributions by the employer	170	127
Withdrawals by Employees	(2,193)	278
Benefits paid and expenses	182	153
	-	-
	<u>(185)</u>	<u>(130)</u>
Reconciliation of opening and closing balances of defined benefit obligation	3,476	5,502

	2023	2022
	£'000	£'000
Opening defined benefit obligation		
Expenses		
Interest cost	5,888	5,949
Actuarial losses / (gains)	7	7
Benefits paid and expenses	179	147
	<u>(1,839)</u>	<u>(85)</u>
Closing defined benefit obligation	<u>(185)</u>	<u>(130)</u>
Defined benefit costs recognised in the statement of financial activities (SOFA)	4,050	5,888

	2023	2022
	£'000	£'000
Expenses		
Net interest expense	7	7
Defined benefit costs recognised in the SOFA	<u>9</u>	<u>20</u>
Actual return on plan assets	<u>16</u>	<u>27</u>
Net actuarial gain/(loss) on defined benefit pension scheme	(2,023)	405

	2023	2022
	£'000	£'000
Actuarial (loss) / gain on plan obligations	1,839	85
Actuarial gain on plan assets	<u>(2,193)</u>	<u>278</u>
	<u>(354)</u>	<u>363</u>

14a Analysis of net assets between funds (current year)

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	268	-	-	268
Net current liabilities	2,216	-	3	2,219
Defined benefit pension provision	-	(574)	-	(574)
	<u>2,484</u>	<u>(574)</u>	<u>3</u>	<u>1,913</u>

14b Analysis of net assets between funds (prior year)

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	65	-	-	65
Net current liabilities	2,080		3	2,083
Defined benefit pension provision	-	(386)	-	(386)
	<u>2,145</u>	<u>(386)</u>	<u>3</u>	<u>1,762</u>

15a Movements in funds (current year)

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
Restricted funds:					
Roots	3	-	-	-	3
Corona Virus Grants	-	-	-	-	-
Total restricted funds	<u>3</u>	<u>246</u>	<u>(246)</u>	<u>-</u>	<u>3</u>
General funds	2,145	13,397	(13,058)	-	2,484
Pension reserve	(386)	-	(188)	-	(574)
Total funds including pension fund	<u>1,762</u>	<u>13,643</u>	<u>(13,492)</u>	<u>-</u>	<u>1,913</u>

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Restricted funds:					
Roots	3	-	-	-	3
Corona Virus Grants	-	214	(214)	-	-
Total restricted funds	<u>3</u>	<u>214</u>	<u>(214)</u>	<u>-</u>	<u>3</u>
General funds	1,715	9,687	(9,257)	-	2,145
Pension reserve	(875)	363	126	-	(386)
Total funds including pension fund	<u>843</u>	<u>10,264</u>	<u>(9,345)</u>	<u>-</u>	<u>1,762</u>

Purposes of restricted funds

Tesco - Bags of Help awarded a grant specifically to be used on Roots for Life.

Corona Virus Grants. These grants were received from Local Authorities to cover the increased costs of working as a result of the COVID-19 pandemic.

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods

	2023	2022
	£'000	£'000
Less than one year		
One to five years		
Over five years		
	2,097	1,030
	1,883	2,259
	2,366	641
	<u>6,346</u>	<u>3,930</u>

17 Guarantees and ultimate parent undertaking

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital. Social Interest Group became the sole member of Penrose Options on the 1 October 2014, previously all Trustees were members. Each member has guaranteed to pay £1 in the event that Penrose Options was wound up. Social Interest Group is the ultimate parent undertaking. Its charity registered number is 1158402. Its company registered number is 9122052. Its registered office is: 1 Waterloo Gardens, Milner Square, London N1 1TY.