

# Penrose Options

Report and financial statements

For the year ended 31 March 2022



**Social  
Interest  
Group**



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## Reference and Administrative details of the Charity, its trustees and advisors

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 Group on the 1st of October 2014. Penrose strives to address inequality of access to health, employment, training, and social care support for people with complex needs. People that struggle with daily living, mental illness, personality disorders, trauma, substance and alcohol issues, homelessness, offending backgrounds, facing everyday challenges or needing support to overcome difficulties because of their complex, chaotic life. Penrose specialises in working with people excluded from other services as they present personal or public safety risks. It provides practical social support and health care solutions, supported housing in residential accommodation, resource centres, floating support and Housing First services. Penrose also provides specialist rehabilitation and technical and therapeutic support that aids recovery, reduces reoffending and changes behaviour. Penrose currently operates across London, Bedfordshire and Luton and has the ambition to grow.

## 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

Rami Bibi (Resigned – 4<sup>th</sup> February 2022)

Dylan Kerr

Stuart Jenkin

Lindsey Wishart (Treasurer) (Resigned – 25<sup>th</sup> May 2022)

Jeff Loo (Appointed – 4<sup>th</sup> February 2022)

Claire Barton (Appointed – 4<sup>th</sup> February 2022)

### Company Secretary

Michael Rutherford

### Executive Officers

#### Group Chief Executive

Gill Arukpe

#### Senior Director of Operations

Cassie Newman

#### Director of Finance & Resources

Michael Rutherford

#### Director of People & Culture

Zainah Baker (Resigned – 25<sup>th</sup> April 2022)

Maria Speight (Appointed – 11<sup>th</sup> July 2022)

### Registered office

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Milner Square  
London  
N1 1TY

### Auditor

Buzzacott LLP  
130 Wood St  
London  
EC2V 6DL

### Bankers

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

### Solicitors

Russell Cooke LLP  
2 Putney Hill  
London  
SW15 6AB

### DWF LLP

1 Scott Place  
2 Hardman Street  
Manchester  
M3 3AA

Company registration number

**08466743**

Charity registration number **1151455**

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The trustees present their report and the audited financial statements for the year ended 31<sup>st</sup> of March 2022

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 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 services for people who may be vulnerable because of their social and health care needs. People struggling with day-to-day living, mental illness, personality disorders, trauma, substance and alcohol issues, homelessness, offending backgrounds, or facing challenges in daily life or need support to overcome difficulties because of their complex, chaotic life. We also provide very specialist rehabilitation, technical and therapeutic support that aids recovery, reduces offending and changes behaviour. We specialise in working with people excluded from other services as they present personal or public safety risks. Penrose currently operates across London, Bedfordshire and Luton and has the ambition to grow.

In Luton we provide floating support and social services that prevent people from becoming homeless or help secure accommodation should they need it. We have specialist services in Luton working with women who have been sexually exploited and may have substance and alcohol issues.

## Chief Executive's Statement

I'm very proud of what we achieved at the Social Interest Group (SIG) this year, of which Penrose is a subsidiary member. We supported 4,400 residents and participants during the pandemic and managed to keep everyone safe, well, active and involved.

We saw a decrease in the number of people we supported on the previous year, due to the central government transferring the community rehabilitation companies (CRC) back to the National Probation Service. We delivered rehabilitation services in the London CRC service in prisons and the community under two long-term contracts. The Ministry of Justice Data Lab showed that if you came to a Penrose offender service, you were less likely to return to prison.

We developed a Peer Mentoring Programme and volunteer scheme to enhance the participant and resident's journey, increasing how we can support people who find participating or living in supported housing challenging. Health Education England helped fund this new program. As part of the business growth plan, we established fundraising, marketing and a sales team. They have made a difference, bringing in new money for us to trial new ways of working and increase the occupancy rate in our supported housing schemes.

Equality, Diversity and Inclusivity (EDI) is the main reason for our purpose and why we are here. Ensuring our people have equal of access to housing, employment, training, and health and social care services, no matter how complex their lives. To ensure EDI remains core in all we do, we appointed an EDI Program Manager who quickly established Ambassadors across the organisation, each with a particular interest in the protected groups. We included menopause as its crucial to health and wellbeing.

We brought in several new services, retained existing ones via tenders and direct contracting and developed pilots to explore new pieces of work with new and exciting partners. We finished the year strong and united as one team under one quality brand - SIG.

This year, the after-effects of the lockdowns and Covid-19 have become more apparent within the cohorts of people we support. We have seen dramatic rises in those referred to our services being more complex. Cases of dual diagnosis, depression and suicidal idealisation caused by poverty, isolation, and higher cost of living have increased. Alcohol and substance misuse continues to be a constant factor within the sector, and the number of women and girls being exploited, trafficked and living in abusive and controlled environments is increasing. These impacts are why all of us at the SIG Penrose strive for change, and this year, our most notable achievements were:

### Property Strategy

Our property strategy aims to increase the quality of estate management within Penrose and charge fairly for this service to ensure residents' satisfaction, particularly concerning repairs and easy access to our services. We continue to build enduring partnerships with local authorities to jointly invest in the communities where Penrose has accommodation to maximise social impact and boost economic growth.

### New Services

We took our first steps into active fundraising and successfully secured multi-year funding through the National Lottery for our Penrose Roots to Recovery service in Luton. We secured several smaller but vital pots of funding to assist other services. We built a new partnership with the Bedfordshire Police and Crime Commission to pilot a specialist service to support women experiencing exploitation and abuse. We enhanced our support by proactively promoting our spot purchase offers within our floating support and domiciliary care, driving significant engagement and interest in our services, leading to new referrals and a reduction in voids. Recognising how busy Care Coordinators are, this change has made it as simple as possible to make referral partners' lives easier, and all have welcomed it.

## Social Impact and Value

Social value is vital to us as we deliver local services to local people with staff working and living in the local community. We devoted considerable time to finding ways to measure and understand the social impact and value of Penrose. Working with commissioners, we have been laying out plans for how each of our services engages more profoundly with the local area, infrastructure, and community.

## ICT Strategy

We invested in making our ICT infrastructure the most secure within the sector. The changes ensure we reduce risk on services and operations and increase visibility and assurance in Cyber-Security. We now have the flexibility to scale and evolve as our business needs change and provide a greater collaborative experience for all staff.

## People and Culture

Recruitment is the most significant risk in the sector. Finding and retaining the best staff is our challenge. We invested in our staff teams, deepening our connection to them by understanding what inspires, motivates, and hinders them from reaching their full potential. We implemented reflective practice at all levels within the Group to allow staff to openly discuss what they have seen, heard, or experienced in a safe environment. We brought in workplace apprenticeships, developed more in-house training around safeguarding and risk management, and focused on shaping the future of the leadership team by recognising and developing in-house talent. We are proud of our career progression opportunities for frontline staff. Many have gone on to manage SIG services and become senior leaders. We started to develop our pay and reward strategy and joined other thought leaders in raising the issue of pay in the sector. Without the support of commissioners and the central government, this will remain high risk.

## Fundraising, Marketing and Development of New Services

The Development and Operational Service Team worked with the Ministry of Justice to create and provide new independent supported housing accommodation for offenders requiring high supervision and support in central London. They expanded into a new area of growth in partnership with Havering Borough Council, taking on a new 25-studio flat property delivering a supported housing service for rough sleepers, homeless people, offenders and patients discharged from mental health hospitals inpatient care.

In closing, we won awards, onboarded new funders and trustees, took on new properties and services, and overcame many challenges. I'm so proud of everyone at SIG Penrose for rising to the challenges we face each day and overcoming them together. I've seen strength and innovation across the Group, and I know the future will continue to be bright for the people we support and us.



**Gill Arukpe, Group Chief Executive**

**27<sup>th</sup> September 2022**

# Strategic Report

## Results and Impacts

In 21/22 we supported 3,191 people across 14 different services.

### Residential Services

Across SIG Penrose Options (trades as SIG Penrose) residential services, we supported 212 residents living and recovering from mental health illness and disorders, homelessness, and trauma during FY2021-22. Over 83% of move-on in FY2021-22 were positive, including transferring into independent living and step-down accommodation. Less than 1% of our residents experienced returns to prison or unplanned returns to hospital during their time in our care.

KPI	TARGET	ACTUAL
% Positive move-ons	>85%	83.5%
% unplanned return to hospital	<3%	0.2%
% convicted of new offence	<3%	0%
% unplanned return to prison	<3%	0.1%

- Positive Move on means people that secure independent accommodation or move into a safe location for continued support.
- Total Departures means every resident or participant that has left the service that year.

Total departures	1,324
Positive move-ons	1,105
Total clients seen	3,191
Unplanned returns to hospital	5
Convicted of a new offence	2
Unplanned return to prison	3

### Luton Residential Services

- 509 key work sessions delivered
- 615 individual life-skill sessions delivered
- 65 group activities delivered

### Luton Floating Support Services

#### Synergy Universal

In partnership with Luton Borough Council, Synergy Universal integrated support Service performed strongly in the year. Synergy provides tailored support to people at risk of losing their independence to improve their opportunity to live successfully in the community. The service enables, empowers and encourages individuals to develop the skills and tools to manage their accommodation, tenancies, health and wellbeing. Work with clients takes place at locations that meet individual needs, within our resource centre in Luton, at their homes, on other agencies' premises or in public meeting places. Synergy maintained accommodation and avoided eviction for 98% of clients through the service. It supported and closed 795 cases in the year, securing housing for 81% of these. It scored 'good' across all areas, including staff training and development, leadership, care planning, environmental responsibility and Care Worker knowledge.

#### Open Access/Living Well Luton

Synergy continues to support the Luton Living Well Initiative, working as a key partner in the Open Access Network along with MIND, Luton All Women's Centre, resoLUTiONs and East London Foundation Trust (ELFT).

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

Penrose was the first VCS organisation to pilot the 'blended teams' approach in Luton, supporting East London Foundation Trust (ELFT) to reduce caseloads and support the move of patients from secondary services to recovery services. Two Community Mental Health Transition Workers (CMHTW) and one Offender Outreach Worker are now well-established as one-year secondments fully funded by ELFT. Our CMHTWs supported 178 patients during the year. Penrose workers have access to the RIO case management system, have NHS email addresses and are based in Community Mental Health Team's local offices. Penrose is also working with the ELFT Transformation Lead to co-design robust procedures and governance that will be the framework for future blended teams.

## **Client Transformations**

### **John's Story**

John is a 60-year-old male convicted of murder and sentenced to life imprisonment. He was released after 15 years but recalled for breaching the conditions of his licence. He served another seven years and three different placements in the community, for breaches of his licence, before being released to our service.

With a history of alcohol misuse, illicit drug use, anger, and verbal aggression, we worked intensively with John, and he successfully moved into independent living accommodation. However, John breached the conditions of his release and was recalled to prison. John was rereleased to our service and allocated a Key Worker and Link-Worker. John went through a period of aggressive outbursts when he first moved into the service, which initially challenged our staff.

Staff worked with John through one-to-one counselling to address his problem behaviour and use of reflective practice as a team. He learnt appropriate social skills, agreed to a behaviour contract to improve his interaction with staff, became less confrontational and could reflect on his behaviour. He started to understand the importance of his recovery star and Support Plan. We supported John in re-establishing his relationship with his ex-girlfriend, which helped him significantly since he had no social support network.

John is currently involved in structured activities, cooks healthy meals regularly and keeps his living space clean and tidy. He is a lot calmer and manages his anger more positively. He also manages his finances effectively. John has not been under the influence of alcohol, and all his recent random Urine Drug Screen (UDS) tests have returned negative results for all illicit substances.

John has restarted his psychotic medication and is in a stable relationship with his former girlfriend. He has made remarkable progress in all areas and is much calmer, stating that his girlfriend had been a great source of support and that he felt the staff really cared about him.



## Our Focus

### Equality, Diversity and Inclusion (EDI)

As part of our strategic objective to make access to health, social care, housing and employment more equitable, we appointed an Equality, Diversity and Inclusion Programme Manager to develop our three-year strategy working with our Group CEO. The plan provides a framework and roadmap to identify and address any barriers that limit access to our services. Among the strategy's broader aims and objectives is to challenge the over-representation of People of Colour within the Criminal Justice and Mental Health System. SIG made real strides toward our EDI plans. An internal audit during the year concluded SIG as an "Age-Friendly Employer". We intend to promote this as a unique selling point as part of future social media campaigns and recruitment drives.

### Disability Confident

We achieved Level 2 certification as a registered disability accredited employer. Recognised as a Disability Confident organisation, we lead in changing attitudes for the better. We aim to change behaviours and cultures internally and within our external networks and communities where possible and reap the benefits of inclusive recruitment practices. We are working towards ensuring that all our properties have disabled access. As part of our property development strategy, we aim to replace or renovate to ensure we can offer equal access for disabled people over the next five years.

### Reflective Practice

Reflective Practice is essential to creating Psychologically Informed Environments (PIE). It provides a safe place for staff to share best practice and reflect on our work's emotional impact, facilitated by external facilitators. Monthly Reflective Practice continued in the year provided by Brett Grellier Psychology Services for frontline staff. Bi-monthly sessions took place for Managers, Deputy Managers, senior management team and members of the Executive Management Team. Sessions are online, enabling staff to share learning across various services and geographical locations.

### Best Practice

#### Project Boards

Our Best Practice Team introduced Project Boards to manage new services' development, mobilisation and implementation. Using a project management approach, they promote best practices ensuring all new contracts are delivered on time, within budget and achieve or surpass the required outcomes. Support services, subject matter experts, residents and participants, families and carers are engaged, and any potential or current obstacles to progress are resolved. A Project Management Coordinator provides support, chairing meetings for each Project Board and maintaining accurate records.

#### Theory of Change

We finalised our Theory of Change model and presented it to staff, stakeholders and the Board. We base it on three core elements; identity, community and relationships. We started work reviewing all the activities and interventions we deliver across our services and aligning them with these elements. We began embedding the Theory of Change concept early with staff ensuring they understood how their work aligns with these fundamental principles. We began to develop a communication cascade with our Communications Team, working with a small, already engaged group of employees who helped build our Theory of Change.

#### Quality Handbook

We completed work on our Quality Handbook, a digital interactive Best Practice Guide for staff for developing, mobilising and implementing new services. It has been a historic collaborative effort, involving over 115 staff and 18 workshops to codevelop the contents. We designed the handbook for group settings with guides and best practice examples. We will continue to add more examples as they develop. We announced its launch

and introduced its contents in July through an all-staff webinar, and it went live on our staff intranet in August. Our Director of Innovation and Impact facilitated workshops on using the handbook in August and September, the first on resident and participant involvement and the second on embedding PIE in local services.

### Development, Mobilisation and Implementation Handbook (DMI)

We introduced the DMI Handbook as part of an improvement plan to help maintain service delivery standards across each stage of the business development cycle, from bidding and winning business to mobilisation, implementation and ongoing performance review. The handbook breaks down each stage, how they intersect, and the sign-off processes for each.

### Quality and Performance

Across the organisation, we worked to improve Quality and Performance reporting and workflow management for Service Managers and Heads of Service. We established what information could be utilised and defined new governance standards for capturing and curating data to create larger datasets for evidence-based decision-making. We worked across the organisation to better accustom frontline staff to data entry, reporting, systems and software. We used bi-weekly Excel training and Inform 'Clinics' to work through issues and queries live on-screen.

### Business Intelligence Reporting

Implementing and using various reporting dashboards within Microsoft PowerBI against internal KPIs has been a priority. Reports will add valuable insight into our performance as contractual evidence related to compliance and our impact, providing invaluable data for bids, grants and fundraising opportunities. The improvements we are making will continue to feed into the work on PowerBI, increasing the level and standard of business intelligence across the organisation and live reporting functionality.

## **ISO9001 Accreditation**

The Social Interest Group achieved Certification with ISO 9001 following an assessment by The Certification Group in January 2022. The assessor inspected a portfolio of audits carried out across the organisation that demonstrate our commitment to the Quality output of our services. Audits were a collaborative effort, with representatives from a range of services and all departments of SIG involved. ISO 9001 is the market's most credible, robust and effective business improvement tool. SIG has held Certification since its inception.

## **Voids Management**

We implemented weekly void meetings and reviewed collaborative working approaches between our Operations, Housing and Business Intelligence teams to create a more targeted and supportive approach to those higher-risk voids, including clear escalation routes for unpicking barriers. In some instances, we reduced the number of voids from 11 to two within five weeks, significantly reducing any additional lost income. We developed a live void dashboard through Microsoft PowerBI to see the voids across the SIG and drill down into each service to provide an up-to-date picture. We are also utilising the opportunity with contract extensions to negotiate with commissioners to share the risk around void loss. Our Business Development Team agreed on a contract variation in Croydon, allowing the service to extend its pathway from forensic patients to those in the acute settings, increasing referrals. We hope to see this result in significant increases in referrals and admissions going into 2022-23.

## **Group Programmes Development and Roll Out**

Our in-house Programme Team designs and develops creative learning activities and interventions, supplementing them with e-learning and utilising practical exercises, toolkits and coaching approaches for residents and participants. Each targets specific needs and includes: *Resonate* is a 6-step process to understand better, manage and cope with emotions; *Amplify* seeks to explore two key themes: motivation and employability creatively; *Insight* is a self-awareness programme combining CBT with theatre and storytelling to improve confidence and self-esteem. Alongside our CFO Activity Hubs, Insight, Resonate and

Amplify were delivered at Holman House. Our Programmes Team finalised the staff training programme ensuring all services had the opportunity to provide our group programmes to a high standard with support and quality assurance. The team supported moving all our intervention toolkits and resources into one place, making it easier to share best practices to ensure quality and consistency of provision.

## **Learning Programmes Development and Roll Out**

The roll-out of our Programmes across services continued. Our in-house Programme Team designs and develops creative learning activities and interventions, supplementing them with e-learning and utilising practical exercises, toolkits and coaching approaches for residents and participants. Each targets specific needs and includes: *Resonate* is a 6-step process to understand better, manage and cope with emotions; *Amplify* seeks to explore two key themes: motivation and employability creatively; *Insight* is a self-awareness programme combining CBT with theatre and storytelling to improve confidence and self-esteem.

Insight, Resonate and Amplify were delivered at Penrose's CFO Activity Hubs. Our Programmes Team finalised the staff training programme ensuring all services had the opportunity to provide our programmes to a high standard with support and quality assurance. The team supported moving all our intervention toolkits and resources into one place, making it easier to share best practices to ensure quality and consistency of provision.

## **People and Culture**

### Service Managers Development Programme

Despite the pandemic, we delivered our staff development program and devised multiple ways to ensure staff could access onboarding and refresher training resources. Our development programme for Managers and Deputy Managers aims to support their roles with internal and external delivery of crucial topics. These have included Resilience, Be More Assertive, Working to a Budget, Introduction to Coaching and Time Management. These were delivered interactively online in three cohort groups of 15 per group. During Q2, we continued expanding our programme offer, which includes eight modules.

### Agency Reduction

Work in this area continues to improve and has been one of the significant success areas for 2021/22 with our colleagues in People & Culture. Agency use has dramatically dropped, and we continue to see a reduction in the use of bank staff and overtime per month, despite challenges with self-isolation due to Covid. The work with Microsoft PowerBI will be able to compare the salaried headcount, vacancy, agency, bank and overtime hours via a dashboard to track hours delivered. The end-of-year result demonstrated that savings made against permanent staff were not 100% offset by agency, bank or overtime spending. Whilst this is a positive result for our agency use from previous years, it has meant undertaking further scrutiny to understand better how services functioned safely with less than budgeted headcount and how we can utilise these approaches into 2022/23.

### Uptake of Apprenticeships and Increased Spending of the Levy Pot

With the Social Interest Group contributing to the apprenticeship levy pot, we have encouraged staff at all levels to take advantage of accredited qualifications in Health and Social Care, Operational Management and Housing. Currently, with 12 participants on their learning journeys, we hope to expand this in the coming years.

## Significant Events

### London CRC Services – The End of a Chapter

In June, our contract with The London Community Rehabilitation Company (CRC) came to an end as a result of the re-unification of the National Probation Service. Penrose successfully delivered service for six years from 2015 to 2021, supporting over fifty thousand people in prisons and the community. Our final service impact report demonstrates the difference we made in reducing reoffending, supporting people into work and improving their wellbeing. Our thanks go to everyone involved in running the service, including staff who transitioned over to The Probation Service. As SIG Penrose's first major private sector partnership, we learnt much. It positioned us well to obtain further funding to continue working in the community with people in the criminal justice sector via a new contract with Reed into employment.

### CFO Activity Hubs

After covid-caused delays, our Criminal Justice Activity Hubs, commissioned by Her Majesty's Prison and Probation Service (HMPPS), opened their doors to participants in June. After a slow but steady start, referrals increased, but whilst the quality of service delivered continued to be of a high standard, we struggled to attract a sufficient volume of referrals to meet our volume KPIs. Contributing factors included the instability caused by the re-nationalisation of The Probation Service, lack of staff and service users in Probation offices during the pandemic, and the service is voluntary. Due to these challenges, Reed in Partnership proposed a reduction in our annual fixed-fee contract value reflecting their variation by HMPPS. We received very positive feedback from those participants who have accessed the service so far, including a letter from a participant reading:

*"Prior to attending the CFO Hub, I had my reservation about being present, as I had thought that this place was a punishment from probation. Upon entering the building, the Team was more than welcoming with their positive attitude and work ethics. I have been participating in the program with the Deputy Manager, who has been an exceptional aid in providing me with both the skills and resources that I need to reintegrate into everyday society. I'd recommend Penrose to anybody and everybody leaving the incarceration service."*

### Joining The RR3 Board Position

Penrose successfully applied as the 'large provider representative' on the Reducing Reoffending Third Sector Advisory Group (RR3). The RR3 is a Special Interest Group on Covid-19 formally channelling policy suggestions to the government on how they can protect people in contact with the criminal justice system (CJS) and their families. The Board is a pivotal forum where the Ministry of Justice brings strategic proposals for consultation with the voluntary sector working in the system whilst offering a platform for feedback on issues from the frontline. Penrose has fed into the prison white paper consultations and a new prisons resettlement strategy and pieces of work on future local and national commissioning frameworks.

### Enabling Environments

Our OPD (Offender Personality Disorder) service started working towards the Enabling Environments Award. Enabling Environments standards comprise ten values that help promote positive psycho-social environments but require all to work together to create an Enabling Environment. We created a team of EE Leads, Champions, and Portfolio Leads across all three OPD HASS Housing and Support Services. We use project management tools to track our progress in meeting and evidencing these, which still need developing further. We have bi-weekly meetings with higher management and the EE team to discuss progress and tasks.

## **Women's Floating Support**

The CATE Project completed its first year of operation and is well established and a valuable resource across Luton and Bedford. CATE stands for Community Action to Thrive and Enable and is a specialist outreach service based in Luton to help bridge the gap in provision for complex and extremely hard-to-reach women exposed to violence, control, coercion and domestic abuse. CATE successfully developed its Community Partner Network and worked with twenty different referring agencies and partners to offer additional wraparound support coordination for vulnerable women. 14% of referrals came from Bedfordshire Police.

164 individuals were referred to the service in its pilot year across Luton, Bedford, and Central Beds. Of these, 127 were women who remained engaged and whose priority needs we supported. Eleven were children and young people connected with women we helped. CATE's client engagement rate was 80% and is a real achievement, evidencing the need for CATE's understanding and expertise to increase engagement levels through a delivery model that is flexible, consistent, person-centred and Psychologically Informed. During the year, we adapted the service to incorporate weekly street outreach as an additional step to engage women with the most transient lifestyles and often difficult to reach by phone. By taking this approach, we re-engaged women who were initially referred to us and disengaged and more vulnerable women on the streets with complex needs who would benefit from the service. We expect the caseload of the service to increase, given the pilot's success.

## **Police and Crime Commissioner Visit**

The Bedfordshire Police and Crime Commissioner visited our Synergy service in June to find out more about Project CATE, our specialist service supporting women launched in April 2021. It is the first project under Penrose to be supported by the Bedfordshire PCC. Project CATE is part of a new trial by the Bedfordshire PCC to support people with drug and alcohol support as part of a conditional caution pathway. Penrose, Head of Service and SIG Group CEO, hosted the visit, and the Synergy team shared some great examples of effective multi-agency working to achieve change for women with multiple and complex needs reinforcing the need for the project to continue long term.

## Financial Review 2021/22

Penrose made a surplus of £556k (2020/21 - £111k) at the operating profit level before a past service deficit pension payment of £126k (2020/21 - £137k). This results in an unrestricted fund balance of £2,145k at 31st March 2022 (2020/21 - £1,715k). In addition, it had a restricted fund balance of £3k (2020/21 - £3k).

The pensions reserve at the end of the year was £386k 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 liabilities of 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 disappointing but understandable. 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

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 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, 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. Penrose aim to make a small surplus for retention and reinvestment purposes, which increases the free reserves. The target for Penrose is £500k. The actual free reserves, excluding the past service pension liability, as at 31st March 2022 are £2,148k (20/21 - £1,718k). 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 Penrose has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Penrose has financial resources together with long-term cash generating assets. As a consequence, the Board of Trustees believe that Penrose is well placed to manage its business risks successfully. For this reason, they continue to adopt the going concern basis in preparing 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 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**

Our *Making Change, Changing Lives* three-year strategy ends in 2023. As we enter 2022/23, we will begin to map out the next 3-5 years to ensure we continue to meet our next five strategic objectives and change the lives of those we support. We are reimagining how we work and our long-term financial sustainability, putting equity, diversity and inclusivity at the centre for the people we serve and our staff. We will remain ambitious for our participants and residents with our growth strategy and transparent in our work. We wish to extend our geographical footprint and will develop pilots and new ways of working, delivering new services wherever possible.

The areas of health and social care continue to transform. Integrated Care Boards (ICBs) go live in 2022. We will invest time and resources to understand their needs as their strategies develop and work with them and other commissioners to find effective solutions to service gaps. Our ambitions for next year include focusing energy and resources on our Equality, Diversity and Inclusion agenda, including completing an all-staff strategy consultation. Priorities are to understand any disparities in experience and accessing our services to ensure we are inclusive. We will audit our staff, residents and participants' demographic profiles to address underrepresented cohorts and provide equitable access to suitable housing, health, training and employment options.

We will continue to work with commissioners and local authorities to grow and develop our service provision to adapt to the increasingly complex needs of the most vulnerable people with the highest needs. Over the next year, we aim to launch a new complex needs housing service model in the Royal Borough of Kensington and Chelsea, offering supported accommodation to adults. The service includes dedicated accommodation for women as part of our plans to develop a better pathway. Fundamentally, our model puts the needs and aspirations of residents at its centre through a strengths-based, psychologically informed environment and trauma-informed and co-production approach.

Our work with Criminal Justice Services has enabled us to gain insights to develop dynamic responses to alternatives to prison and reduce reoffending. Our new resettlement service for people leaving prison, launching in July 2022, will work towards an Enabling Environments model applying a psychologically informed approach to resettlement. Alcohol and substance misuse remain among the UK's most destructive and costly addictive behaviours. Due to demand, we continue to look for regional opportunities to support people in crisis who require stabilisation and recovery from alcohol misuse, especially where there is resistance to change and an interest in the relationship between alcohol and dementia; Korsakoff, and other mental health illnesses and disorders.

Our interests remain to expand our services for women and develop meaningful services to stop all forms of violence, exploitation, and trauma inflicted upon women. Our focus next year includes staff training on trauma-informed practice and shame awareness and sharing learnings. Moving towards stabilisation assessment will be part of our focus to ensure women with specific vulnerabilities and complex needs who do not engage well learn to trust and build sustainable support circles.

We are increasing our capacity to improve and develop our business intelligence to strengthen the quality and analysis of outcomes data compliance and ensure a cohesive approach to understand any disparities to deliver fair outcomes for staff, participants and residents. We will continue to utilise the opportunity with contract extensions to negotiate with commissioners to share the risk around void loss, aiming for a significant contribution.

We will continue to bring lived experience into our service offering by building on our Peer Support Model as part of our Volunteering Programme. Doing so will be a crucial enabler in facilitating the personal growth of our residents and participants and inspiring and motivating them to get involved in activities such as seeking employment and developing independent living skills. Due to the rising cost of living, we are increasingly aware of the financial struggles going into 2022/23, including our staff members. We have worked hard to ensure a 3% pay increase for all staff next year, but we want to do more to help address our staff reward and recognition strategy. As a well-trusted and innovative third-sector organisation, we will continue to strengthen our offering and footprint within the health and social care sector.

## **New Business**

### **New Sales and Marketing Manager**

We recruited a new post within our Communications and Marketing Team. The Sales and Marketing Manager's focus is to promote and sell our full range of residential and community care services and ensure these meet their revenue and occupancy targets. Much of their time requires working with hospitals, local authorities, Clinical Commissioning Groups (CCGs) and broader to generate new leads and secure placements. This new post joined in January 2022 and has already helped provide greater oversight and support with referral pathways working closely with Service Managers and partner agencies and increasing awareness of our voids resulting in a reduction.

### **Havering Assessment and Stabilisation Service**

We secured a purpose-built supported housing property providing 25- studio flats to provide a complex needs assessment and stabilisation service in Havering, Greater London. Delivered in partnership with Havering Borough Council and other local providers, it will support adults with high complex needs who have been rough sleeping, discharged from mental health wards or are on probation. The service consists of two sites, provides specialist housing, programmes and support services and operates seven days a week. We continued to mobilise throughout Q4. Both sites have maintained high occupancy levels with significant third-party support for those struggling with transitioning from previous accommodations or homelessness.

### **Penrose Drive Independent Approved Premises (IAP)**

We successfully bid to the Ministry of Justice to deliver a 24/7, 25-unit Approved Premises for vulnerable men leaving prison. The mobilisation timeframe was complex due to the requirement to install a new Ministry of Justice ICT network on the premises. The service go-live date is 1st July 2022. SIG's Director of Housing and the Group CEO, London & Quadrant (L&Q Group), the landlord and part-owner of Brook Drive, approved the transfer of its use from SIG Equinox to SIG Penrose for the AP provision and renamed it Penrose Drive.

### **Contract Extension to our OPD HASS Service**

Our Offender Personality Disorder Housing and Support Service (OPD HASS) secured a further two-year extension until March 2024. This result is a testament to the dedication and innovation of the delivery team, supporting some of the highest-risk residents across Penrose. They have formed excellent working partnerships with The Probation Service, clinical partners and other critical providers across the pathway, making each of the three premises hives of meaningful activity, in line with Enabling Environments standards. The service received an additional £22,000 from Commissioners for installing a garden office at Farley Road as a counselling support space. Hence, staff and residents have a safe, confidential environment to meet.



## Fundraising

Having recruited a Head of Fundraising at the beginning of the year, we achieved a 40% win rate across fundraising, with 1 in 2 large grant requests being successful. We now have a pool of committed high-value donors, including Health Education England. We seek to continue to grow this and bring in new donors. Our funding priorities remain capacity-building grants to develop and enhance our services and technology and implement our strategic ambitions and plans.

### Tackling Sexual Exploitation

We secured funding from the Bedfordshire Police and Crime Commissioner to pilot a new service supporting trafficked women. Project LASE will run for four months to test an operating model to provide time-critical support and intervention at Luton Airport and off-site to those experiencing sexual exploitation. The project will utilise the existing local systems, including Penrose's Luton Synergy Service and other local agencies, to engage and access ongoing settlement and support for trafficked victims.

### Lottery Funding for Roots to Recovery

We were delighted to hear that Penrose Roots to Recovery had been awarded £413,004 from the National Lottery Reaching Communities Fund. Roots Community-Based Recovery Services (CBRS) provided 9,435 hours of participation during the year as part of its extensive training, social groups and community garden projects. The award will be disbursed over three years and will help Roots improve its service offering. Plans include employing two more Roots 2 Recovery members on the programme, recruiting twenty volunteers and developing more Community Gardens for members to run. Crucially this award enables us to scale up activities to reach more people across Luton, Bedford and Milton Keynes and develop our operating model for future sustainability.

### Our First Charity Runner

Penrose had its first half marathon runner fundraising for Bridge House. The house in Luton is a residential support service for homeless mothers and their children, most of whom were lockdown babies. Jas, a 25-year-old Sikh woman from Northampton and a Psychology Facilitator in the Prison Service, helps rehabilitate offenders. Running for Penrose was the first time she had consistently trained to meet a goal and had never taken part in a race. When she moved to London during lockdown, she needed something to motivate her and fill her time. She set a goal of running the Hampton Court Half Marathon. Jas knew she wanted to raise money for a smaller charity that meant a lot to her and focused on helping women who have faced some life difficulties. Her mother, a single parent, had faced hardship herself, which helped Jas appreciate a woman's strength in raising children on their own. From a £250 target, she raised £470, and we are grateful for all her efforts.

### Bedfordshire Therapy Project

The pandemic had created long waiting lists for statutory provisions for counselling, CBT, and holistic therapy. Many of our clients have been on waiting lists for months and rarely have the financial means to access support privately. We secured £100,000 from East London Foundation Trust (ELFT) Winter Pressures Fund to pilot Project HEART (*Heal, Encourage, Accept, Restore, Trust*). HEART works with local providers to deliver free trauma and psychologically-informed therapy sessions and counselling to clients and residents across Penrose Luton and Beds services. The project will support a minimum of 170 people with priority needs across our residential, hospital step-down and floating support services without access to the therapy support they need. Including this provision as part of Penrose's offer will enable at-risk, vulnerable adults to receive the trauma-informed care and support they need, when needed, without the added challenges of being on waiting lists for several months and escalating into crisis management.

## **Workforce Recruitment and Retention Fund**

Penrose secured an additional £40,000 from Luton Council's Workforce Recruitment & Retention Fund to utilise this funding as Covid recovery support.

## **Specialist STEPS Worker Funding**

Throughout the last 18 months of the pandemic, mental health in-patient services have seen a significant increase in demand for beds. Penrose STEPS is an accommodation assessment and housing-related support service for people admitted to hospital mental health wards in Luton. This year, the service supported 136 people from the Bedfordshire Mental Health Inpatient Units. Since April 2020, Bedfordshire and Luton Community Foundation (BLCF) has funded STEPS and renewed their support in March for another year. STEPS' delivery model includes a dedicated STEPS Worker to ensure the perspective and needs of every patient discharged from the hospital are understood to find suitable accommodation. The STEPS Worker initiates enquiries and onward referrals promptly, supporting timely discharge; helping maintain hospital bed capacity and flow in the system. They blend seamlessly with NHS teams and are seen as vital to the Mental Health and Housing Pathway between Luton Borough Council and East London Foundation Trust (ELFT).

## **Funding for Psychologically Informed Environments (PIE)**

Creating Psychologically Informed Environments is part of our Health Strategy to create happier and healthier environments where participants and residents develop their full potential. We installed a new PIE Kitchen at our Holman House service with funding from the Screwfix Foundation, ready for cooking courses and 1-1 sessions as a more Psychologically Informed space for residents. In addition, we completed a refurbishment of the Holman House garden in partnership with The Prince's Trust, which worked hard to improve the space for residents.

## **Activity Coordinator Funding**

We secured funding from the Bedfordshire and Luton Community Foundation for an Activity Coordinator role to support our Bridge and Biscot House residential support services across Luton. Biscot supports single men with mental health needs, learning and physical disabilities, substance use and ex-offenders. Bridge supports homeless mothers and their children affected by domestic abuse, mental health and substance use and focuses on family wellbeing. The role enhances client engagement to develop skills and confidence to live independently in the community.

## **Thank You**

On behalf of 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

### Webinars

This year, we continued with quarterly staff webinars, focusing on strategy and quarterly updates, led by the Executive Management Team members. Additional webinars took place, updating staff on significant issues affecting the business and staff consultations. We also used webinars to support staff engagement linked to our new EDI Ambassador Scheme and Support Groups hosting webinars on race, disability, menopause and LGBTQI+.

### The SIG Awards

The SIG Honours Awards is an annual ceremony reflecting the year that recognises individuals and teams for contributing to the SIG and making it what it is today. As a member of the Social Interest Group, the event is open to all Penrose staff, residents and participants. Last year's event was virtual due to covid restrictions, but we were able to host the event in London in March of this year. We screened a short film on our achievements and provided a buffet lunch. We included a networking session as part of the event programme. There were many deserving nominations, and because of this, we extended the categories, including Going the Extra Mile, Coaching Champion, Healthy Living Awards and a Social Value and Community Award. A CEO Award is a discretionary award chosen and presented by Gill Arukpe, Group CEO, for people that have particularly stood out to her within the year.

### World Mental Health Day

We continued on the success of the first online Tea & Talks, aimed at providing staff with a safe space to share experiences and information and discuss their mental wellbeing. In October, we held an organisation-wide Tea & Talk to mark World Mental Health Day. Staff, residents and participants from various services and the central office came together and had a lively discussion and shared experiences. Amongst attendees was our Clinical Lead Muriel Gutu, who advised on managing mental health. Amongst attendees was our Clinical Lead Muriel Gutu, who gave tips on managing mental health. Also in attendance was our Roots to Recovery Manager, who oversees our Community Therapy Garden projects, alongside her goats. The goats provided some light relief at the start of the session and helped brighten the mood. Participants and residents were in attendance from several services. They duly participated in the discussions, offering candid and insightful observations on mental health. The session closed with five minutes of mindfulness.

### Black History Month

Working with our EDI Programme Manager, we celebrated Black History Month across services. At our Jigsaw service, an event at the Senior's Lodge Centre with the theme, 'Without a Struggle, There Can Be No Progress', was held. We projected a presentation celebrating different cultures, countries, and traditions with topics including colonisation, traditional foods, noteworthy black people, and facts about black history and Africa. Clients of the service had the opportunity to discuss what black history means to them and why they think it is crucial.

Miller House's celebration resulted from three weeks of planning by staff and other Croydon Services. They saw an opportunity to honour the late Antony Miller, SIGs Director of Operations for Mental Health & Social Care, who was instrumental in winning the tender for the project. They acknowledged his work as a home-grown 'hero', and other heroes celebrated on the day. There are also two memorial benches in the Miller House garden, standing as a reminder of Antony's life.

Our Synergy Universal Service celebrated at their office in Luton. Synergy has strong links with local community Groups. It supports a large caseload of clients from ethnic minorities (44% of total cases) requiring housing and social care support across Luton and Beds. It was a lively affair with discussions about race, ethnicity, multiculturalism and Britishness. There were wall displays throughout the building and a table

display in the meeting room, with fabric and signs and symbols, stories, poetry, images of black pride and inspirational black figures from around the world and the black community in Britain.

## Social Media Review

We continued to focus on growing our social media presence and increasing activity to showcase our work, events and activities.

PLATFORM	APRIL 2021 Followers	MARCH 2022 Followers
Facebook	718	1,450
Twitter	337	459
LinkedIn	1,001	1,187
Instagram	108	135

Key achievements over the year:

- Grew LinkedIn following by 18.5%
- Grew Twitter following by 36.2%
- Doubled our Facebook followers

## Structure, Governance and Management

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's governing instruments are its Articles of Association dated 28th of March 2013 and amended on 1<sup>st</sup> of November 2018. The sole member of Penrose is the Social Interest Group with effect from 1<sup>st</sup> of October 2014 and as of 1<sup>st</sup> of November 2018 the non-executive trustees of the 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 5 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

Penrose is a member of the 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, Penrose Options, SIG Investments and Pathways to Independence.

## Remuneration Policy for Key Management Personnel

The Group Chief Executive's remuneration is set by the 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

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2022**

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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 (2021: 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 27<sup>th</sup> September 2022 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 2022 which 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 2022 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;
- 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;



## Independent auditor's report to the members of Penrose Options

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- 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](http://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

01 December 2022

**Penrose Options**

**Statement of financial activities (incorporating an income and expenditure account)**

**For the year ended 31 March 2022**

	Note	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2021 Total £'000
<b>Income from:</b>									
Donations and legacies		3	-	-	3	17	-	-	17
Charitable activities	3	9,684	214	-	9,898	10,637	62	-	10,699
<b>Total income</b>		<b>9,687</b>	<b>214</b>	<b>-</b>	<b>9,901</b>	<b>10,654</b>	<b>62</b>	<b>-</b>	<b>10,716</b>
<b>Expenditure on:</b>									
Charitable activities	4a	(9,131)	(214)	-	(9,345)	(10,543)	(62)	-	(10,605)
<b>Total expenditure</b>		<b>(9,131)</b>	<b>(214)</b>	<b>-</b>	<b>(9,345)</b>	<b>(10,543)</b>	<b>(62)</b>	<b>-</b>	<b>(10,605)</b>
<b>Net income for the year</b>		<b>556</b>	<b>-</b>	<b>-</b>	<b>556</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>111</b>
Transfers between funds		(126)	-	126	-	(137)	-	137	-
<b>Net income before other recognised gains and losses</b>		<b>430</b>	<b>-</b>	<b>126</b>	<b>556</b>	<b>(26)</b>	<b>-</b>	<b>137</b>	<b>111</b>
Actuarial gains / (losses) on defined benefit pension schemes	13	-	-	363	363	-	-	(686)	(686)
<b>Net movement in funds</b>		<b>430</b>	<b>-</b>	<b>489</b>	<b>919</b>	<b>(26)</b>	<b>-</b>	<b>(549)</b>	<b>(575)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		1,715	3	(875)	843	1,741	3	(326)	1,418
<b>Total funds carried forward</b>	<b>15</b>	<b>2,145</b>	<b>3</b>	<b>(386)</b>	<b>1,762</b>	<b>1,715</b>	<b>3</b>	<b>(875)</b>	<b>843</b>

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 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
<b>Fixed assets</b>					
Tangible assets	10		<u>65</u>		<u>83</u>
			65		83
<b>Current assets</b>					
Debtors	11	3,464		2,865	
Cash at bank and in hand		<u>105</u>		<u>100</u>	
		3,569		2,965	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<u>(1,486)</u>		<u>(1,330)</u>	
<b>Net current assets</b>			<u>2,083</u>		<u>1,635</u>
<b>Total assets less current liabilities</b>			<u>2,148</u>		<u>1,718</u>
<b>Net assets excluding pension scheme provision</b>					
			<u>2,148</u>		<u>1,718</u>
Defined benefit pension scheme provision	13		<u>(386)</u>		<u>(875)</u>
<b>Total net assets</b>	14		<u><u>1,762</u></u>		<u><u>843</u></u>
<b>The funds of the charity</b>					
	15				
Restricted income funds			3		3
Unrestricted income funds					
General funds		2,145		1,715	
Pension reserve		<u>(386)</u>		<u>(875)</u>	
Total Unrestricted funds			<u>1,759</u>		<u>840</u>
<b>Total Charity funds</b>			<u><u>1,762</u></u>		<u><u>843</u></u>

Approved by the trustees on 27<sup>th</sup> September 2022 and signed on their behalf by



Dr Karl Marlowe  
Chair

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

Penrose Options  
Cashflow statements  
For the year ended 31 March 2022

	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	918	(575)
Depreciation charges	35	30
Movement in long-term pension deficit liability	(489)	549
(Increase) in debtors	(599)	(158)
Increase / (decrease) in creditors	156	(282)
<b>Net cash provided by operating activities</b>	<b>21</b>	<b>(436)</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(17)	(21)
<b>Net cash used in investing activities</b>	<b>(17)</b>	<b>(21)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>4</b>	<b>(457)</b>
Cash and cash equivalents at the beginning of the year	101	557
<b>Cash and cash equivalents at the end of the year</b>	<b>105</b>	<b>100</b>

## 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 Penrose's charitable activities.

**j) Operating leases**

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

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

### o) Financial instruments

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## 2 Donations

Penrose has received a donation of £nil (2021: £nil) from its parent undertaking, the Social Interest Group and £2,802 (2021: £2,349) from other donors.

## 3 Charitable activities – supporting vulnerable people

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. 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	2022 Total £'000	2021 Total £'000
Staff costs (Note 6)	5,583	-	1,273	6,856	7,982
Recruitment & training	-	-	96	96	112
Subsistence & travel	29	-	5	34	25
Premises Costs	1,036	-	50	1,086	1,178
Office running costs	96	-	97	193	303
Insurance	-	-	82	82	77
Information technology	-	-	188	188	194
Legal & Professional	-	-	56	56	29
Depreciation	62	-	-	62	30
Audit fees	-	17	-	17	29
Other Costs	673	2	-	675	646
Total expenditure 2022	<u>7,479</u>	<u>19</u>	<u>1,847</u>	<u>9,345</u>	
Total expenditure 2021	<u>8,620</u>	<u>29</u>	<u>1,956</u>		<u>10,605</u>



4b Analysis of expenditure (prior year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2021 Total £'000
Staff costs (Note 6)	6,643	-	1,339	7,982
Recruitment & training	-	-	112	112
Subsistence & travel	17	-	8	25
Premises Costs	1,111	-	67	1,178
Office running costs	206	-	97	303
Insurance	-	-	77	77
Information technology	-	-	194	194
Legal & Professional	-	-	29	29
Depreciation	30	-	-	30
Audit fees	-	29	-	29
Other Costs	613	-	33	646
Total expenditure 2021	8,620	29	1,956	10,605

**5 Net income / (expenditure) for the year**

This is stated after charging:

	2022 £'000	2021 £'000
Depreciation	41	30
Operating lease rentals:		
Property	1,033	1,050
Auditor's remuneration (excluding VAT):		
Audit	17	14
	<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

	2022 £'000	2021 £'000
Salaries and wages	5,679	6,471
Redundancy and termination costs	–	7
Social security costs	513	603
Employer's contribution to defined contribution pension schemes	95	112
Operating costs of defined benefit pension schemes	7	7
Agency costs	562	782
	<u>6,856</u>	<u>7,982</u>

No employee earned more than £60,000 during the year (2021: £nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £nil (2021: 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 (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

No trustees' expenses were paid or reimbursed £Nil (2021: £nil).

**7 Staff numbers**

	2022 £'000	2021 £'000
Operational	325.7	245.8
Administration	1.0	1.0
	<u>326.7</u>	<u>246.8</u>

**8 Related party transactions**

Penrose was charged £1,981,108 for central office functions provided by the parent charity Social Interest Group (2021: £2,124,094).

Penrose Options was owed from SIG £2,451,247 at the year-end (2021: £2,108,521).

Penrose Options owed £504,613 to Equinox Care at the year-end (2021: owed £378,490).

Penrose Options was owed from Pathways £112,190 at the year-end (2021: £Nil).

Penrose Options owed £20,000 Milner Gibson Limited at the year-end (2021: £20,000)

Penrose Options owed £853 to SIG Investments at the year-end (2021: £25,950)

## 9 Taxation

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 the 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
<b>Cost of valuation</b>				
At the start of the year	5	198	101	304
Additions in year	-	-	17	17
Disposal in year	-	(44)	9	(35)
At the end of the year	<u>5</u>	<u>154</u>	<u>127</u>	<u>286</u>
<b>Depreciation</b>				
At the start of the year	4	139	78	221
Charge for the year	1	23	17	41
Disposal in the year	-	(41)	-	(41)
At the end of the year	<u>5</u>	<u>121</u>	<u>95</u>	<u>221</u>
<b>Net Book Value</b>				
At the end of the year	<u>-</u>	<u>33</u>	<u>32</u>	<u>65</u>
At the start of the year	<u>1</u>	<u>59</u>	<u>23</u>	<u>83</u>

All of the above assets are used for charitable purposes.

## 11 Debtors

	2022 £'000	2021 £'000
Trade debtors	522	389
Staff Loans	9	19
Amounts due from group undertakings	2,563	2,109
Other debtors	194	162
Prepayments	176	186
	<u>3,464</u>	<u>2,865</u>

**12 Creditors: amounts falling due within one year**

	2022 £'000	2021 £'000
Trade creditors	51	103
Taxation and social security	12	175
Pension contributions	51	45
Other creditors	177	184
Amounts due to Group undertakings	526	425
Accruals	669	398
	<b>1,486</b>	<b>1,330</b>

**13 Pension Scheme**

**The Pensions Trust – Social Housing Pension Scheme (“Scheme”)**

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.

13 Pension Scheme (continued)

Number of active members in the scheme

	No.
Active	3
Deferred	51
Pensioners	16

Financial assumptions

	2022 %pa	2021 %pa
Rate of discount	3.09	2.49
Price inflation (RPI)	3.54	3.26
Price inflation (CPI)	3.17	2.87
Earnings increases	4.17	3.87
Allowance for commutation of pension for cash at retirement	75%	75%

Other material assumptions

	years	years
Life expectancies in retirement:		
Male currently aged 65	21.10	21.60
Female currently aged 65	23.70	23.50
Male currently aged 45	22.40	22.90
Female currently aged 45	25.20	25.10

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

	2022 £'000	2021 £'000
Fair value of plan assets	5,502	5,074
Present value of defined benefit obligation	(5,888)	(5,949)
Net defined liability to be recognised	(386)	(875)

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

	2022 £'000	2021 £'000
Opening fair value of employer assets	5,074	4,542
Interest income	127	109
Experience on plan assets	278	325
Contributions by the employer	153	150
Withdrawals by Employees	-	-
Benefits paid and expenses	(130)	(52)
	5,502	5,074

13 Pension Scheme (continued)

Reconciliation of opening and closing balances of defined benefit obligation

	2022 £'000	2021 £'000
Opening defined benefit obligation	5,949	4,868
Current service cost	-	-
Expenses	7	7
Interest cost	147	115
Contributions by members	-	-
Withdrawals by Employees	-	-
Actuarial losses / (gains)	(85)	1,011
Benefits paid and expenses	(130)	(52)
Closing defined benefit obligation	<u>5,888</u>	<u>5,949</u>

Defined benefit costs recognised in the statement of financial activities (SOFA)

	2022 £'000	2021 £'000
Current service cost	-	-
Expenses	7	7
Net interest expense	20	6
Defined benefit costs recognised in the SOFA	<u>27</u>	<u>13</u>

Actual return on plan assets	<u>405</u>	<u>434</u>
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Net actuarial gain/(loss) on defined benefit pension scheme

	2022 £'000	2021 £'000
Actuarial (loss) on recognising full scheme liability	-	-
Actuarial (loss) / gain on plan obligations	85	(1,011)
Actuarial gain on plan assets	278	325
	<u>363</u>	<u>(686)</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	65	-	-	65
Net current liabilities	2,206	(126)	3	2,083
Defined benefit pension provision	(875)	489	-	(386)
	<u>1,396</u>	<u>363</u>	<u>3</u>	<u>1,762</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	83	-	-	83
Net current liabilities	1,769	(137)	3	1,635
Defined benefit pension provision	(326)	(549)	-	(875)
	<u>1,526</u>	<u>(686)</u>	<u>3</u>	<u>843</u>

**15a Movements in funds (current year)**

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
<b>Restricted funds:</b>					
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>
<b>General funds</b>	1,715	9,687	(9,131)	(126)	2,145
<b>Pension reserve</b>	<u>(875)</u>	<u>363</u>	<u>-</u>	<u>126</u>	<u>(386)</u>
Total funds including pension fund	<u>843</u>	<u>10,264</u>	<u>(9,345)</u>	<u>-</u>	<u>1,762</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 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2021 £'000
<b>Restricted funds:</b>					
Roots	3	-	-	-	3
Corona Virus Grants	-	62	(62)	-	-
Total restricted funds	3	62	(62)	-	3
<b>General funds</b>	1,741	10,654	(10,543)	(137)	1,715
<b>Pension reserve</b>	(326)	(686)	-	137	(875)
Total funds including pension fund	1,418	10,030	(10,605)	-	843

**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

	2022 £'000	2021 £'000
Less than one year	1,030	512
One to five years	2,259	1,003
Over five years	641	741
	<b>3,930</b>	<b>2,256</b>

**17 Guarantees and ultimate parent undertaking**

Penrose Options is a company limited by guarantee not having a share capital. The Social Interest Group became the sole member of Penrose on the 1 October 2014, previously all trustees were members. Each member has guaranteed to pay £1 in the event that Penrose 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.