



Social Interest Group

Trustees' Report & Consolidated Financial Statements

Year ended 31 March 2022

Charity registered number 1158402
Company registration number 09122052



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Reference and Administrative Details of the Charity, its Trustees and Advisors

Social Interest Group was incorporated as a company limited by guarantee on the 8th of July 2014. It became a charity registered with the Charity Commission on the 1st of September 2014. It changed its name to the Social Interest Group on the 1st of October 2014, when Equinox Care (“Equinox”), Penrose Options (“Penrose”) and Milner Gibson Limited (“Milner Gibson”) joined as wholly-owned subsidiaries. SIG Investments (“SIGI”) joined the Group when it was incorporated on the 15th of December 2015. Pathways for Independence joined the Group on the 19th of January 2021 as a wholly-owned subsidiary. The Social Interest Group (SIG) is referred to as the Charity throughout this document. SIG is a charity providing strategic social support, quality standards, governance, risk management, central resources and models of supported housing, social support, and health care through its subsidiary charities. We aim to help address the inequality of access to health care and support for people with a diverse range of complex needs that consequently make their lives seem chaotic and often have behaviours that challenge service.

Our Residents and Participants are often living with trauma, mental ill-health and disorders, personality disorders, substance and alcohol misuse and may have been rough sleeping, homeless or in the criminal justice system and families that have lost their homes or at risk of doing so.

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 Marlow

Treasurer

Lindsey Wishart (Resigned – 25th May 2022)

Jeff Loo

Trustees:

Rami Bibi (Resigned – 4th February 2022)

Dylan Kerr

Jeff Loo (Appointed 4th February 2022)

Claire Barton (Appointed 4th February 2022)

Stuart Jenkin (Vice Chair)

Executive Trustee & Group Chief

Executive

Gill Arukpe

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 – 25th April 2022)

Maria Speight (Appointed – 11th July 2022)

Registered office

1 Waterloo Gardens

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

09122052

Charity registration number

1158402

www.socialinterestgroup.org.uk

enquiries@socialinterestgroup.org.uk

The trustees present their report and the audited financial statements for the year ended 31st 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 the Charity 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, the 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;
- To promote and improve the efficiency and effectiveness of its charitable subsidiaries in fulfilling their charitable objectives;
- 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 and its subsidiaries each year. This report looks at what the Group 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 Group 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.

Penrose

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.

Equinox

Equinox was established in 1986, incorporated as Drink Crisis Centre on the 23rd of March 1987, opened its first service in 1990 and changed its name to Equinox Care on the 13th of April 1999. It traded as Equinox and joined the Group on the 1st October 2014. Equinox provides tailored support, health care and recovery for people whose needs challenge other services, living with trauma, mental illness, substance and alcohol issues, homelessness, forensic history, or a combination of these, preventing them from living fulfilled lives. Equinox's expertise supports people excluded from other services due to substance and alcohol misuse. The

heart and soul of Equinox are providing hope without exclusion to all who come to them. Equinox currently operates across London and in Brighton and has the ambition to grow.

Pathways to Independence

Pathways to Independence traded as Pathways and joined the Group on the 19th of January 2021. Pathway's purpose is to provide support and relief, including rehabilitation from the causes and effects of poverty, homelessness, illness and reoffending behaviour for persons aged 16 and over in the county of Kent and the surrounding area by providing or assisting in the provision of supported accommodation, education, training for employment, advice and counselling and other support facilities. Pathways provide a peer mentoring service, Housing First service in Maidstone, and a rough sleeper project in Medway.

Milner Gibson

Penrose operated an in-house maintenance department for more than twenty years for its accommodation-based services. Penrose Works Limited was incorporated on the 21st of October 2013, commenced trading on the 1st of August 2014, joined the Group on the 1st of October 2014 and changed its name to Milner Gibson Limited on 27th of January 2016. Milner Gibson ceased trading on the 31st of March 2017 when the business was transferred to the Housing Management department within the Charity. The Company is currently dormant.

SIG Investment

On registration as a charity, SIG Investments (SIGI), principal activity was set up to buy or lease property on behalf of the Group and then lease it to Group members at an affordable social rent. SIG Investment was established in 2014. It has an independent Board of Trustees from the parent company SIG and holds four leasehold properties within its portfolio. While currently SIGI manages our property and investment it is our longer term aim to register as a Social Landlord this might involve a change in the SIGI Articles as we look to achieve this objective to further our social missions.

The SIGI Board have developed a property strategy that includes a housing development and social housing management programme that it wishes to deliver for the residents supported in the SIG Group. The strategy for SIGI has developed, and is currently proactively trying to register as a social landlord. SIGI consulted residents in the Group who have said they need access to permanent social housing as they move on from supported housing or directly when they leave inpatient hospital care or prison. SIGI aims to create self-contained supported housing units to improve the quality of supported housing residential units for adults who would benefit from a temporary stay during their rehabilitation or recovery from being unwell or homeless, or in prison.

Chief Executive's Statement

I'm very proud of what we achieved at the Social Interest Group (SIG) this year. 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. For financial reasons, we have also had to make some hard decisions, most notably the closure of our detox service, Brook Drive. However, 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, and the number of women being exploited, trafficked and living in abusive and controlled environments is increasing. These impacts are why all of us at SIG 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 the Group 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 SIG 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 care homes and 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 the Group and its subsidiaries. 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. For example, our staff team in Lewisham are local to Lewisham, providing a greater understanding of local community issues.

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

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. For Pathways, the team submitted successful bids for a Housing First service and to deliver staff training staff for the Shaw Trust's Live Well Programme in Kent.

In closing, we won awards across the Group, onboarded new funders and trustees, took on new properties and services, and overcame many challenges. My greatest sadness was making the difficult decision to close Brook Drive, as the Care Quality Commission's requirements meant we did not have the financial resources to continue to run it - the last remaining charity-led detox in London. Equinox ran the service for over 20 years. The closure has undoubtedly left a hole in the sector. However, where one door closes, another opens. Brook Drive, the building, has been transformed into a new and vital service launching in 2022.

I'm so proud of everyone at the Social Interest Group and our subsidiary charities: SIG Penrose, SIG Equinox, SIG Pathways and SIG Investments, 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

27th September 2022

Strategic Report

Results and Impacts

In 21/22 the SIG supported 4,415 people across 25 different services.

KPI	TARGET	ACTUAL
% Positive move-ons	>85%	82.5%
% 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 and participant that has left the service that year.

Total departures	1,517
Positive move-ons	1,251
Total clients seen	4,218
Unplanned returns to hospital	8
Convicted of a new offence	2
Unplanned return to prison	3

Client Transformations

Ben's Story

At SIG, we take care of physical, mental and emotional needs. Our Supported Housing Accommodations are not just places for people to lay their heads. We ensure their involvement with all we do and deliver. Below is an account from our Equinox Marron House Service in Ealing.

Ben joined Marron House on the 29th of June 2020. Initially, he was hesitant to join in as he wasn't sure what to expect. Staff built a relationship with him, encouraged, and motivated him to join in, helping him make decisions about his Support Plan and supporting him in taking informed risks. He wanted to change his physical and mental health from the start. Despite having a history of complicated health conditions, he did not let this bring him down. Ben had been diagnosed with Paranoid Schizophrenia and an Acoustic Neuroma (non-cancerous tumour) - which unfortunately led him to lose hearing in his left ear.

During the COVID-19 pandemic, Ben continued to attend every Well-Being Workout organised by his keyworker – socially distanced, of course. He was a regular attendee every time! Workouts included full-body workouts, including squats and resistance bands. He pushed himself to become stronger and even participated in weekly personal training sessions to further his progress. Through hard work and dedication alongside staff, his balance has improved dramatically, along with his strength, and he can now walk much longer distances without using a crutch or walking stick.

Ben is also a qualified architect, spending much time working on projects. Most recently, he has undertaken private work for his family, which he takes great pride in. He consistently presents no signs of relapse, behavioural issues or difficulty engaging with staff and fellow service participants.

Ben continues to make fantastic progress and has aspirations of learning to drive and moving out into his flat. All the staff at Marron House are very proud of him.

Tom's Story

Tom is still on his journey with Pathways. He joined us at the beginning of this year after nearly dying from alcohol poisoning. It was not his first time in the hospital close to death. He had previously been through twelve hospital detox programmes. But this time, something was different; he wanted to succeed.

Tom drank from age 13; to make things go away and sometimes to give himself some confidence. He found it helped in his job as a door-to-door salesman. His drinking became more of a problem at age 26 when his Dad died. However, despite being an alcoholic, he still managed to hold down jobs which enabled him to pay for his alcohol. At the height of his drinking, Tom consumed at least 2 litres of vodka and four cans of strong beer daily. He remembers very little of the last 23 years, but he was violent towards men, which got him into trouble with the Police from time to time. His Mum felt unable to remain in contact with him. By the end of last year, he was living in shared accommodation with other drinkers.

This year his New Year celebrations resulted in a spell in hospital, then detox. He realised he couldn't return to his previous home, so he was referred to Pathways. Tom now has a Key Worker and a team of supporters at Pathways helping him. They have engaged several partner agencies who regularly work with him to help him stay off the alcohol, and Pathways worked with him to remain healthy. They helped build his confidence and broker opportunities for Tom to reengage with his community and family. He now volunteers weekly in a timber yard, has got back in touch with his Mum, and spends most of his evenings and weekends helping at a local sports club. Tom has made a very positive start, and ultimately, he would like to get back into employment and find a home.

"Pathways have helped turn my life around. My Key Workers are always there if needed, and they are part of a team towards my recovery."

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 new digital interactive Best Practice Guide for all staff across SIG 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.

For the first time in many years, we filled all our beds in our Equinox Brent services and filled long-standing voids at Equinox Southampton Way (SWay). 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 Penrose 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 Learning Programmes Development and Roll Out

The roll-out of our Programmes across SIG services continued. SIG's 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 Penrose's CFO Activity Hubs, *Insight*, *Resonate* and *Amplify* were delivered at Holman House, Equinox Brent, Hammersmith and Fulham service, and Pathway's new contract in Kent. 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.

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.

Financial Review 2021/22

The charity recovers the costs of the services that it provides to its subsidiary undertakings. The charity made a surplus of £173k (2020/21 - £0k). The Group had net unrestricted incoming resources for the year of £166k (2020/21 - £1,662k outgoing). Unrestricted reserves stand at £2,292k at 31st March 2022 (2020/21 - £2,458k) with £34k in restricted reserves and a liability of £2,259k (2020/21 - £3,477k) in the pension reserve for past service deficits, in Penrose £386k (2020/21 - £875k, Equinox £1,350k (2020/21 - £2,025k) and Pathways £523k (2020/21 - £577k).

Penrose made a surplus of £555k (2020/21 - £110k) 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 - £1,714k). In addition, it had a restricted fund balance of £3k (2020/21 - £3k).

Equinox made a deficit of £652k (2020/21 - £143k surplus) at the operating profit level before a past service deficit pension payment of £125k (2020/21 - £160k). This results in an unrestricted fund balance in deficit of £2,059k at 31st March 2022 (2020/21 - £1,282k). In addition, it had a restricted fund balance of £1k (2020/21 - £1k) after receipts of £153k (2020/21 - £139k) and expenditure of £153k (2020/21 - £139k).

Pathways made a surplus of £13k (2020/21 – surplus of £61k), before adjustments for the actuarial losses on the defined benefit pension scheme. The actuarial gains on defined benefit pension schemes in the year was £69k (2020/21 –£1k), the final year end position was an increase in total funds to £1,253k from £1,171k. Unrestricted funds increased to £1,746k from £1,718k, whilst restricted funds remained unchanged at £30k.

At the end of the financial period, the charity had unrestricted general reserves of £377k (2020/21 - £204k).

Milner Gibson did not trade during the year.

SIG Investments made a surplus of £5k (2020/21 - £9k) at the operating profit level.

The pensions reserve 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 and Equinox. These charities closed their participation in this pension scheme but remain 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 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

The Group 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 the Group. To mitigate these risks, we have robust risk management policies, a pandemic strategy for the Group and each entity, 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 or participants,

responsible officers, and the police. In addition, the Group 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 Group.

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. All SIG charities aim to make a small surplus for retention and reinvestment purposes, which increases the free reserves. The target for the Group is £1.75m – they currently stand at £774k (20/21 - £978k), excluding funds held within tangible fixed assets.

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 the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. The Group has financial resources together with long-term cash generating assets. As a consequence, the Board of Trustees believe that the Group is well placed to manage its business risks successfully. For this reason they continue to adopt the going concern basis in preparing the Group'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 the Group 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. We will look for new partnerships and charities to join our Group to ensure we continually enhance the offer and difference we make to those that choose to contract us or use our services.

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. Aspinden Care Home in London is one of our services for people resistant to changing their alcohol use. Its unique model provides high-level specialised nursing care and supports Care Quality Commission standards. It uses a harm-reduction model for change-resistant drinkers to aid their recovery and improve health and wellbeing and is a service we want to replicate and scale.

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, shame awareness and sharing the learning from our Fulfilling Lives South East Partnership, which ended this year. 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 across the Group 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 encourage other charities to join our Group to strengthen our offering and footprint within the health and social care sector.

SIG Penrose Options

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 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 or home 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, find a home, 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.

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 NHS 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.

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.

SIG Equinox Care

In 21/22 we supported 1,027 people across 11 different services.

Residential Services

Across SIG Equinox Care (trades as SIG Equinox) residential services, we supported 215 residents with diverse, complex support and health needs during FY2021-22. Over 75% of move-on in FY2021-22 were positive, including transferring into independent living and step-down accommodation. Only three residents experienced returns to prison or unplanned returns to hospital during their time in our care.

KPI	TARGET	ACTUAL
% Positive move-ons	>85%	75.6%
% unplanned return to hospital	<3%	0.3%
% convicted of new offence	<3%	0%
% unplanned return to prison	<3%	0%

- 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	193
Positive move-ons	146
Total clients seen	1,027
Unplanned returns to hospital	3
Convicted of a new offence	0
Unplanned return to prison	0

Significant Events

Aspinden Care Home

Aspinden Care Home changed its registration status with the CQC from a recovery project to a residential care home with nursing. In our first inspection following the changeover, we identified some areas we needed to strengthen to get the service to the new regulatory framework standards. Aspinden received its follow-up CQC visit in October, which showed we had proactively addressed all areas of initial concern. With the inclusion of the new Sales and Marketing Manager, we have seen a dramatic increase in interest and placements into Aspinden Care Home. This role has allowed the service staff to focus on the high-quality care and support of the residents. Going into Q1 2022/23, we anticipate meeting or exceeding our occupancy target and will be full by June/July 2022.

Brook Drive Closure

After 30 years of delivering high-quality support to the people of London, we closed Brook Drive, our detoxification service - this was a tough decision after working alongside the Care Quality Commission (CQC) from July 2021 to reopen Brook Drive. However, the Board decided to close the service as the financial requirements needed under the new terms set by the CQC were unachievable. We deregistered from regulated activities with the CQC in January 2022.

Seven Years of Fulfilling Lives South East Project

Operating across Brighton & Hove, Eastbourne and Hastings, Fulfilling Lives South East Partnership, led by [Brighton Housing Trust \(BHT\) Sussex](#), is one of 12 projects across England funded by the National Lottery Community Fund until July 2022. Equinox Brighton Women's Service is one of three partners making up the South East Partnership since 2014.

The service is working to increase access to mental health support for vulnerable women experiencing homelessness, addiction, poor mental health, and other complex needs. This year marks the end of Fulfilling Lives, whose purpose is to leave a legacy of systems change in project areas, which will result in better service accessibility for residents. Whilst this work has been taking shape through the learning over the last seven years, we should not overlook the impact of our staff on individuals directly supported. We will be keeping a keen eye on the next stage of Fulfilling Lives to understand its plans to embed new approaches and evidence the need for more responsive and flexible services for people with complex needs.

Therapeutic Yoga Pilot

Brighton Women's Service provides vital temporary accommodation and support for up to 18 women local to Brighton and Hove with high-multiple and complex needs, often experiencing long periods of homelessness. During the year, the service partnered with [Brighton Yoga Foundation](#) in a pilot to bring yoga to residents as part of their Care Plans and recovery journey. Combined with other interventions, we see its benefits, particularly with women suffering from severe substance misuse and trauma - and in ways that challenge their beliefs about themselves and self-worth.

It has taken several months to embed yoga classes and for women to feel comfortable with it and consider it an option. Almost half of our residents participated in the pilot, which is unprecedented, with participants' needs ranging from undiagnosed and untreated ADHT to learning difficulties, poor memory and movement. Residents are even practising yoga in their bedrooms. We now plan to permanently build yoga into Care and Recovery Plans as part of our Resident Engagement and Activity Programme to support physical and mental health.

SIG Pathways to Independence

SIG Pathways to Independence (trades as SIG Pathways) provides supported housing for vulnerable, single homeless people with additional support needs across Kent and Medway.

In 21/22 we supported 197 people across our residential services. Over 75% of move-on in FY2021-22 were positive. None of our residents experienced returns to prison or unplanned returns to hospital during their time in our care. 3.6% of residents were convicted of a new offence.

KPI	TARGET	ACTUAL
% Positive move-ons	>85%	75.3%
% unplanned return to hospital	<3%	0%
% convicted of new offence	<3%	3.6%
% unplanned return to prison	<3%	0%

- 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	73
Positive move-ons	55
Total clients seen	197
Unplanned returns to hospital	0
Convicted of a new offence	7
Unplanned return to prison	0

Significant Events

New Peer Mentoring Service in Medway

We partnered with Health Education England to develop our peer mentoring offer to support the increasing need for residents to have support from people with lived experience. In September, we set up a project in Medway for vulnerable people street-based or living in supported accommodation. The project works exclusively with people at risk of overdose who are either not under a treatment service or not engaging with a treatment service. We recruited and trained seven Peer Mentors with lived experience. The service receives referrals from community partners and has worked with over 30 men and women.

Medway' A Grade' for Quality Assessment Framework (QAF):

Medway Council's Quality Assessment Framework Team audited our Medway accommodation services commissioned by the council. These services work with ex-offenders and people experiencing homelessness. The service is audited annually by Medway Council and graded against a performance matrix covering a variety of areas, which on this occasion focused on Health & Safety & Safeguarding in particular. Extensive work from the whole team paid off as we were awarded an 'A' grade for our Quality Assessment Framework (QAF) in both areas, with the report commending the comprehensive range of policies and procedures in place and the staff support.

Link House Report

Research has shown comparatively high rates of homelessness amongst the offending population, with various studies highlighting a strong connection between homelessness and reoffending (HMIP, 2020). At the beginning of the year, the Research and Policy Unit of Kent, Surrey, and Sussex Community Rehabilitation Company (CRC) published and presented the findings of their independent evaluation of our Link Project in Maidstone. The Link Project works with people who are homeless, multiply disadvantaged and have complex needs relating to substance misuse, mental health, physical health and offending. The study was a longitudinal evaluation between February 2020 and March 2021. Although the evaluation period coincided with two national lockdowns, which hindered the remit of the research and limited move-on from the service, the residents interviewed reported substantial improvements in their self-efficacy, wellbeing and independent living skills.

Group-Wide 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.

Commissioner Engagement Events

SIG Equinox and SIG reviewed how we interacted with commissioners of drugs and alcohol services during the subsequent waves of covid and launched a series of online Open Days during December. We designed these events to properly engage the audience in real-time 'open' discussion. They allowed us to meet those interested in the service, answer questions on a wide range of topics. The event concluded with an audience Q&A session and networking to explore opportunities for joined-up work. The feedback was excellent from all that attended, and it is a model we intend to replicate across other service provisions, targeting commissioners in an informative and interactive way.

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, L&Q, 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 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.

Medway Supported Housing Contract

We successfully retendered our Homeless and Ex-Offender supported accommodation services in Medway. Both services have three-year contracts with a further 2-year extension being possible.

Medway Enhanced Hostel Provision

We secured an extension to our Enhanced Hostel provision funding until Jul 22 under the Medway Rough Sleeper Initiative (RSI) funding. The project offers extra support to RSI clients in Medway with complex needs. The service has worked with 24 clients since its inception, including 11 in the past financial year. The project has received positive feedback from Medway Council, the RSI team, and the commissioner.

Maidstone Supported Housing Contract

We secured a 6-month extension of our supported housing service for ex-offenders in Maidstone. The service is the only one of its kind in Kent and closely manages relationships with central and local government stakeholders. In February, we started working with Maidstone Council and the Department for Levelling Up, Housing and Communities (DLUHC) to submit a proposal to access Rough Sleeper Accommodation Programme (RSAP) Funding to secure and expand the service for a further 2.5 years. The outcome of this bid will be June 2022.

Maidstone Housing First Pilot

In Q2, we began mobilising a new 12-month contract of a Housing First pilot in partnership with Maidstone Council, offering engagement and support to offenders with a complex history of unstable housing, offending and hardest to engage in Maidstone district whilst Maidstone Borough Council source accommodation for said individuals on their caseload.

Group-wide 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.

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.

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.

Coop Local Community Fund

We approached the Coop Community Foundation, which selected Equinox for their local community fund this year. Coop members will be raising funds over the year for the Solace Centre to go towards digital inclusion equipment and IT training. We plan to train community members struggling with mental health and social isolation to use digital devices, stay connected, and access online public services.

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.

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).

Tackling Sexual Exploitation

Penrose 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.

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. We secured £15,985 from local authorities for other services across the Group.

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 Penrose 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 Penrose 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.

Lottery Awards for All Funding

Equinox secured a grant for social inclusion by expanding and transforming the Solace Centre's back garden to allow more visitors and support new nature-based interventions and activities. The Solace Centre is a Mental Health Resource that receives referrals from partnerships with NHS mental health teams, GPs (social prescribing), The Probation Service and other charities. Awards for All will help accommodate more members and raise beds for community gardening, food-growing projects, cooking and nutrition workshops, gardening tools, and weatherproof storage. External contractors alongside Solace's Gardening Group will all help with the makeover.

Thank You

On behalf of the Social Interest Group, 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.

Group-wide Communications

Inside Housing Magazine

The Social Interest Group wrote an article for National Housing Group's Inside Housing Magazine in October to discuss what high-quality social housing needs to look like for people experiencing homelessness and the changes required within the supported housing sector. Group CEO Gill Arukpe talked about the right kind of support needing high quality to provide a safe space and what the Social Interest Group is doing as part of its Property Strategy. You can read the article [here](#). Inside Housing is the UK's leading monthly magazine for housing professionals, with a readership of more than 66,000.

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. The event is open to all 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.

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, including the closure of Brook Drive 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+.

World Mental Health Day

SIG continued 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. 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 the Biscot House, Meadow View and Friends 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.

Pathways' Black History Month celebration recognised different backgrounds and heritage, led by two residents. They prepared a meal for all residents, bringing people together. Residents raved about the food, and there was nothing left over.

Penrose 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.

Penrose 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.

Equinox Marron House displayed articles on inspirational figures from the black community and had a focused discussion over food bringing everyone in the house together and educating them on subjects like black history. Not everyone at the service has family in their lives. So the service tries to have at least one monthly engagement event to foster a sense of community at Marron House. Guests included Recovery Workers from our other services local to Marron House. The Deputy Manager at Marron House was instrumental in arranging the celebration and is a member of the EDI Ambassador Group.

Equinox Brent service at the Mall celebrated with a lunch preceded by discussions on the origins and history of Black History Month in the UK. Attendees were encouraged to contribute to the community, which could be as simple as serving teas or taking on a voluntary job.

Celebrations at St. Gabriel's, another of our Brent services, embraced the significance of dance, food, games and music in uplifting the culture and as a coping mechanism. Discussions educated and offered different perspectives about black history and culture. Staff read the achievements of inventors, activists and positive role models through the centuries and showcased these on a poster board created by residents, participants and staff. Traditional games highlighted were Oware, dominoes and cards. They played music from across the genres, and traditional food and drinks were made and shared amongst attendees. There was also time to pause and remember staff, residents and participants who shared BHM last year and acknowledge those who have now transitioned. A reminder of how fragile life can be.

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

Mergers and Acquisitions

Pathways is a Kent-based charity providing supported accommodation for vulnerable adults who are homeless and specialises in working with individuals with a history of offending. PTI supports clients in gaining insight into their problems, develop coping strategies, build supportive relationships, and contribute to community reintegration through projects, volunteering, education, and training. The ultimate goal is for clients to be able to live independent and fulfilling lives. The combined expertise of PTI and SIG will allow us to continue to reduce reoffending rates and the significant health inequalities that prison leavers face in the UK. It is an important positive step for both organisations and significantly strengthens our market capability, growth prospects and value to the criminal justice sector. The Charity's board and current subsidiary boards

have agreed that we will encourage others to join the Group. We are particularly interested in young persons' charity, registered housing providers and/or addiction charities.

Structure, Governance and Management

The Charity is a company limited by guarantee not having a share capital (Number 09122052) and is registered as a charity with the Charity Commission (Number 1158402). The Charity's governing instruments are its Articles of Association dated 8th July 2014. All non-executive 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

The Charity is the parent undertaking of the Social Interest Group. 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, Pathways to Independence and Milner Gibson Limited.

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 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 27th September 2022 and signed on their behalf.



Karl Marlowe
Chairman

Opinion

We have audited the financial statements of Social Interest Group (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which the comprise the group statement of financial activities, the group and charitable parent company balance sheets 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 group's and of the charitable parent company's affairs as at 31 March 2022 and of the group's 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 group 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 group and charitable parent 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 group and the charitable parent 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent 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 group's and the charitable parent 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 group or the charitable parent 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 group and the parent charity and determined that the most significant frameworks which are directly relevant

Independent auditor's report to the members of Social Interest Group

to specific assertions in the financial statements;

- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Trustee meetings.

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

- Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure; and
- Investigated the rationale behind significant or unusual transactions.

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

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

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

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

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

Use of our report

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



Hugh Swainson (Senior Statutory Auditor)

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

01 December 2022

Social Interest Group
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
Income from:									
Donations and legacies		10	-	-	10	20	-	-	20
Charitable activities		18,719	367	-	18,086	18,796	232	-	19,028
Other income		-	-	-	-	-	-	-	-
Acquisition of Pathways		-	-	-	-	1,662	-	(577)	1,085
Total income		18,729	367	-	19,096	20,478	232	(577)	20,133
Expenditure on:									
Charitable activities		(18,659)	(367)	-	(19,026)	(18,592)	(202)	-	(18,794)
Total expenditure	3a	(18,659)	(367)	-	(19,026)	(18,592)	(202)	-	(18,794)
Net income / (expenditure) for the year									
	4	70	-	-	70	1,886	30	(577)	1,339
Transfers between funds	17	(236)	-	236	-	(297)	-	297	-
Net income / (expenditure) before other recognised gains and losses		(166)	-	236	70	1,589	30	(280)	1,339
Actuarial gains/(losses) on defined benefit pension schemes	17	-	-	982	982	-	-	(2,351)	(2,351)
Gains /(losses) on revaluation of fixed assets	9	-	-	-	-	73	-	-	73
Net movement in funds		(166)	-	1,218	1,052	1,662	30	(2,631)	(939)
Reconciliation of funds:									
Total funds brought forward		2,458	34	(3,477)	(985)	796	4	(846)	(46)
Total funds carried forward	19a	2,292	34	(2,259)	67	2,458	34	(3,477)	(985)

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 19a to the financial statements.

Social Interest Group
Balance Sheet
As at 31 March 2022

	Note	The Group		The Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Tangible assets	9	1,566	1,586	148	95
Investments	10	-	-	20	20
Investment property	10	450	450	-	-
		<u>2,016</u>	<u>2,036</u>	<u>168</u>	<u>115</u>
Current assets					
Debtors: Amounts falling due within one year	12	1,880	2,006	678	575
Debtors: Amounts falling due after one year	12	-	-	1,745	1,805
Cash at bank and in hand		1,422	1,269	587	16
		<u>3,302</u>	<u>3,275</u>	<u>3,010</u>	<u>2,396</u>
Liabilities					
Creditors: amounts falling due within one year	13	(2,943)	(2,749)	(2,801)	(2,307)
Net current assets		<u>359</u>	<u>526</u>	<u>209</u>	<u>89</u>
Total assets less current liabilities		<u>2,374</u>	<u>2,562</u>	<u>377</u>	<u>204</u>
Creditors: amounts falling due after one year	14	(49)	(70)	-	-
Net assets excluding pension liability		<u>2,326</u>	<u>2,492</u>	<u>377</u>	<u>204</u>
Defined benefit pension scheme provision	16	(2,259)	(3,477)	-	-
Total net assets / (liabilities)		<u><u>67</u></u>	<u><u>(985)</u></u>	<u><u>377</u></u>	<u><u>204</u></u>
The funds of the charity					
Restricted income funds		34	34	-	-
Unrestricted income funds					
Pension Reserve		(2,259)	(3,477)	-	-
General Reserve		2,292	2,458	377	204
Total unrestricted funds		<u>33</u>	<u>(1,019)</u>	<u>377</u>	<u>204</u>
Total charity funds	18a	<u><u>67</u></u>	<u><u>(985)</u></u>	<u><u>377</u></u>	<u><u>204</u></u>

Approved by the trustees on 27th September 2022 and signed on their behalf by



Karl Marlowe

Chair

Social Interest Group: A company limited by guarantee, Company Registration Number 09122052
(England and Wales)

Social Interest Group
Cashflow statements
As at 31 March 2022

	2022 £'000	2021 £'000
Cash flows from operating activities:		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,051	(2,050)
Depreciation charges	159	131
Movement in long-term pension deficit liability	(1,218)	2,054
Decrease in debtors	126	312
Increase / (Decrease) in creditors	195	(627)
Net cash provided by / (used in) operating activities	313	(180)
Cash flows from investing activities:		
Purchase of fixed assets	(140)	(142)
Transfer in from the acquisition of Pathways	-	360
Net cash used in investing activities	(140)	218
Net cash used in financing activities	(19)	(24)
Change in cash and cash equivalents in the year	154	14
Cash and cash equivalents at the beginning of the year	1,268	1,254
Cash and cash equivalents at the end of the year	1,422	1,268

1 Accounting Policies

a) Statutory information

Social Interest Group 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.

These financial statements consolidate the results of the Charity and its wholly-owned subsidiaries Milner Gibson, Equinox Care, Penrose Options and SIG Investments on a line by line basis. Transactions and balances between the Charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the Charity and subsidiary companies are disclosed in the notes of the Charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The net income for the Social Interest Group was a surplus of £173k (20/21 deficit (£20k)).

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 Board assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of SIG to continue as a going concern. The Trustees make an assessment in respect of a period of at least one year from the date of authorisation for the issue of the financial statements.

It has concluded that although the Group has adapted the way it delivers its services in response to the global COVID-19 pandemic, the full longer term impact of this event for the Group's activities, including the effect on our residents, participants, staff, funders and the wider economy remains unknown, although steps are in place to mitigate the adverse impacts, as highlighted in the Financial review section. In reaching this conclusion, the Board has considered the ability of the Group to absorb the impact of the revaluation of pension deficit, and the potential loss of contracts as they fall due.

1 Accounting Policies (continued)

d) Going concern (continued)

The Trustees therefore judge it is appropriate for the Group to continue to prepare its financial statements on the going concern basis and that the uncertainty noted above does not cast significant doubt on that conclusion. The Board also judges that the Group has adequate resources to continue in operational existence for the foreseeable future and thus it continues to adopt the going concern basis of accounting in preparing these financial statements.

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.

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) Expenditure on charitable activities

The expenditure on charitable activities relates to the support services provided to the Charity’s charitable subsidiaries in supporting our beneficiaries. A breakdown of the governance and support costs is provided. The Group resources expended in directly providing the main services of Group companies are analysed as activities in the furtherance of the entities’ objects. A liability is recognised when a legal or constructive obligation is entered into by a Group company.

j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting Policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. 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.

- Fixtures, fittings and office equipment – Between 25% and 33% straight line
- Freehold property – 2% straight line
- Leasehold property – Between 1% and 2% straight line
- Motor vehicles – Between 20% and 25% straight line
- Computer equipment and software – 25% straight line
- Leasehold improvements – Straight line over the term of the lease

l) Investment properties

Investment properties are measured initially at cost and subsequently included on the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities.

m) Debtors

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

n) 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. Cash balances exclude any funds held on behalf of residents and participants.

o) 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.

p) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting Policies (continued)

p) Financial instruments (continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

q) Pensions

Group companies make contributions into a defined benefit pension scheme, which is now closed to new SIG 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 Group to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group 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 Group to account for the Scheme noted above as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2022. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the Group's fair share of the Scheme's total assets to calculate the Group's net deficit or surplus at the accounting period start and end dates.

In addition, the Group, on the acquisition of Pathways To Independence Ltd, took over a further defined benefit pension scheme for current and former employees of Pathways who were part of the Kent County Council Pension Fund, which itself is part of the Local Government Pension Scheme. The pension scheme is closed to new members. It is a funded scheme and the assets are held separately from those of the Group in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1 Accounting Policies (continued)

q) Pensions (continued)

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

r) Pensions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

2 Income

Charitable activities – supporting vulnerable people

The Group's charitable activities are to relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse or other addictive behaviour 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, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services.

The Group's income is predominantly contractual income from local authorities and NHS Trusts, and rental income and service charges from residents.

3a Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2022 Total £'000	2021 Total £'000
Staff costs (Note 5)	10,421	-	2,507	12,928	13,617
Recruitment & training	-	13	198	211	202
Subsistence & travel	47	-	11	58	45
Premises Costs	2,668	-	98	2,766	2,635
Office running costs	271	-	151	422	490
Insurance	-	-	162	162	132
Information technology	-	-	371	371	328
Legal & Professional	-	-	105	105	82
Depreciation	158	-	-	158	112
Audit fees	-	35	-	35	49
Other Costs	1,800	4	6	1,810	1,484
Total expenditure 2022	15,365	52	3,609	19,026	19,176
Support costs	3,609	-	(3,609)	-	-
Governance costs	52	(52)	-	-	-
	19,026	-	-	19,026	
Total expenditure 2021	19,176	-	-		19,176

3b Analysis of expenditure (previous year)

	Charitable Activities £000	Governance costs £000	Support costs £000	2021 Total £000
Staff costs (Note 5)	11,347	-	2,270	13,617
Recruitment & training	-	-	202	202
Subsistence & travel	31	-	14	45
Premises Costs	2,523	-	112	2,635
Office running costs	288	-	202	490
Insurance	-	-	132	132
Information technology	-	-	328	328
Legal & Professional	24	-	58	82
Depreciation	83	-	29	112
Audit fees	-	49	-	49
Other Costs	1,467	-	17	1,484
	15,763	49	3,364	19,176
Support costs	3,364	-	(3,364)	-
Governance costs	49	(49)	-	-
	19,176	-	-	19,176

4 Net income / (expenditure) for the year

This is stated after charging :

	2022	2021
	£'000	£'000
Depreciation	158	131
Operating lease rentals:		
Property	2,876	2,763
Auditor's remuneration (excluding VAT):		
Audit		
–current year	47	55
	<u>47</u>	<u>55</u>

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

Staff costs were as follows

	2022	2021
	£'000	£'000
Salaries and wages	10,149	10,783
Redundancy and termination costs	85	7
Social security costs	950	1,006
Employer's contribution to defined contribution pension schemes	219	222
Operating costs of defined benefit pension schemes	20	35
Agency costs	1,505	1,564
	<u>12,928</u>	<u>13,617</u>

The redundancy and termination costs were settled and paid by the balance sheet date, except £25k that was settled and paid in June 2022.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022	2021
	No.	No.
£60,000 – £70,000	6	1
£70,001 – £80,000	1	1
£90,001 – £100,000	1	1
£110,001 – £120,000	1	1
	<u>1</u>	<u>1</u>

The Non-Executive Trustees (directors for company law purposes) received no remuneration during the year. No non- executive trustees were reimbursed travel expenses incurred in the performance of their duties. The Executive Trustee (a director for company law purposes), as permitted by the Articles of Association, was remunerated during the year as follows:

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

	2022			2021		
	Salary £	Employer's Pension Contribution £	Total £	Salary £	Employer's Pension Contribution £	Total £
Gill Arukpe, Group Chief Executive	115,476	-	115,476	115,000	-	115,000

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £505,074 (2021: £522,204).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 589.6 (2021: 481.4).

	2022 No	2021 No
Operational staff	530.4	425.7
Management and support staff	59.2	55.7
	<u>589.6</u>	<u>481.4</u>

7 Related party transactions

The Charity made charges to its subsidiaries to recover the cost of providing support services: Penrose £1,981,108 (2021: £2,124,094), Equinox £1,675,173 (2021: £1,354,650), Pathways £278,755 (2021: £Nil) and SIG Investments £10,900 (2021: £20,000).

At year end the Charity owed £2,451,248 to Penrose Options (2021: £2,083,365), was owed £1,745,365 from Equinox Care (2021: £1,648,148 owed from Equinox Care), was owed £1,745,365 from Equinox Care (2021: £1,648,148 owed from Equinox Care), owed £28,985 to Pathways (2021: £Nil) and owed £444,941 to SIG Investments (2021 owed £593,981).

Gill Arukpe is a director of Milner Gibson Limited (previously Penrose Works Limited) and SIG Investments; and Michael Rutherford was the Company Secretary of all group companies.

8 Taxation

The Charity is exempt from Corporation Tax as all its income is charitable and is applied for charitable purposes. The Charity and its subsidiaries are registered for VAT although the vast majority of their outputs are exempt and therefore the majority of VAT on purchases is irrecoverable.

9 Tangible fixed assets – Group

	Computer equipment £'000	Fixtures & fittings £'000	Lease improvements £'000	Motor Vehicles £'000	Freehold Property £'000	Total £'000
Cost						
At the start of the year	210	404	397	28	1,150	2,189
Additions in year	35	–	105	–	–	140
Disposal in year	–	(44)	–	–	–	(44)
At the end of the year	245	360	502	28	1,150	2,285
Depreciation						
At the start of the year	163	285	139	14	–	601
Charge for the year	33	7	51	4	23	118
At the end of the year	195	292	190	18	23	719
Net book value						
At the end of the year	49	68	312	10	1,127	1,566
At the start of the year	47	119	258	14	1,150	1,586

9 Tangible fixed assets – Charity

	Computer equipment £'000	Fixtures & fittings £'000	Lease improvements £'000	Motor Vehicles £'000	Total £'000
Cost					
At the start of the year	190	7	132	11	340
Additions in year	30	-	66	-	96
At the end of the year	<u>220</u>	<u>7</u>	<u>198</u>	<u>11</u>	<u>436</u>
Depreciation					
At the start of the year	169	7	59	10	245
Charge for the year	14	-	28	1	43
At the end of the year	<u>183</u>	<u>7</u>	<u>87</u>	<u>11</u>	<u>288</u>
Net book value					
At the end of the year	<u>37</u>	<u>-</u>	<u>111</u>	<u>-</u>	<u>148</u>
At the start of the year	<u>21</u>	<u>-</u>	<u>73</u>	<u>1</u>	<u>95</u>

10 Fixed assets investments and subsidiary undertakings

	2022 £'000	2021 £'000
At the start of the year	20	20
At the end of the year	<u>20</u>	<u>20</u>

The charity owns the entire issued share capital of Milner Gibson Limited, a company registered in England (registered number 8741792), which is held as a fixed asset investment. It is also the sole member of Equinox Care, a company registered in England (registered number 2114430), which is a registered charity (number 296694), Penrose Options, a company registered in England (registered number 8466743), which is a registered charity (number 1151455), SIG Investments, a company registered in England (registration number 9918302), which is a registered charity (number 1166811) and Pathways to Independence, a company registered in England (registration number 1859070), which is a registered charity (number 292579). All subsidiaries' activities have been consolidated on a line by line basis in the statement of financial activities. Milner Gibson Limited did not trade in the year.

The charity provides strategic guidance, development, management and back office support services to its subsidiary undertakings. It aims to promote and improve the efficiency and effectiveness of its charitable subsidiaries in fulfilling their charitable objectives. Equinox and Penrose provide similar support services to a variety of residents and participants and their families.

A summary of the results of the subsidiaries is shown below:

Year ended 31 March	Equinox		Penrose		Pathways to Independence		Milner Gibson		SIG Investments	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Total income	7,455	8,271	9,901	10,716	1,707	341	-	-	375	383
Total expenditure	(8,107)	(8,128)	(9,346)	(10,606)	(1,694)	(329)	-	-	(370)	(374)
Net income / (expenditure)	<u>(652)</u>	<u>143</u>	<u>555</u>	<u>110</u>	<u>13</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>9</u>
Pension adjustment	550	(1,665)	363	(686)	69	-	-	-	-	-
Net movement in funds	<u>(102)</u>	<u>(1,522)</u>	<u>918</u>	<u>(576)</u>	<u>82</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>9</u>

Pathways joined the Group in the financial period 20/21.

10 Fixed assets investments and subsidiary undertakings (continued)

Year ended 31 March	Equinox		Penrose		Pathways to Independence		Milner Gibson		SIG Investments	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Assets	1,101	1,694	3,634	3,047	2,107	2,055	20	20	540	736
Liabilities	(3,159)	(2,974)	(1,486)	(1,330)	(343)	(307)	-	-	(446)	(647)
Pension Provision	(1,350)	(2,025)	(386)	(875)	(523)	(577)	-	-	-	-
Funds	<u>(3,408)</u>	<u>(3,305)</u>	<u>1,762</u>	<u>842</u>	<u>1,240</u>	<u>1,171</u>	<u>20</u>	<u>20</u>	<u>94</u>	<u>89</u>

10b Group's Investment properties

	2022 £'000	2021 £'000
Fair value at the start of the year	450	450
Transfers from tangible fixed assets	-	-
Revaluation during the year	-	-
Fair value at the end of the year	<u>450</u>	<u>450</u>

The properties were last valued at 31 March 2021 with reference to local market price information. The trustees have reviewed this valuation and are satisfied it remains a reasonable reflection of the property's fair value.

11 Parent charity

The parent charity's gross income and the results for the period are disclosed as follows:

	2022	2021
	£000	£000
Gross Income	4,057	3,561
Results for the period	<u>173</u>	<u>19</u>

12 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade Debtors	1,097	1,107	66	–
Staff loans	14	25	–	–
Amounts due from group undertakings	–	–	2,190	2,222
Other debtors	89	93	–	–
Prepayments	507	539	167	158
Accrued income	173	242	–	–
	<u>1,880</u>	<u>2,006</u>	<u>2,423</u>	<u>2,380</u>

£1,745,000 (2021: £1,780,000) of amounts due from group undertakings are receivable in more than 12 months.

13 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank Loans	15	14	–	–
Obligations under finance leases	10	16	–	–
Amount due under group undertakings	–	–	2,480	2,109
Trade creditors	290	723	83	102
Taxation and social security	42	320	13	–
Pension contributions	89	85	–	–
Other creditors	1,419	779	4	8
Accruals	1,078	812	221	88
	<u>2,943</u>	<u>2,749</u>	<u>2,801</u>	<u>2,307</u>

14 Creditors: amounts falling due after more than one year

	Group	
	2022	2021
	No	No
	£'000	£'000
Bank Loans	49	63
Obligations under finance leases	–	7
	<u>49</u>	<u>70</u>

15 Loans and overdrafts

	Group	
	2022	2021
	£'000	£'000
Bank Loans	<u>64</u>	<u>77</u>
Payable within one year	15	14
Payable after one year	<u>49</u>	<u>63</u>

The bank loan is secured by way of a first legal charge over a freehold property owned by the Group.

16 Pension Scheme

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

Penrose and Equinox participate 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 £1,522m. 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 charities are potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April 2019.

Number of active members in the scheme

	No.	No.
Active	8	6
Deferred	150	149
Pensioners	64	59
Financial assumptions	2022	2021
	%pa	%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		
Life expectancies in retirement:	Years	Years
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

16 Pension Schemes (continued)

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

	2022	2021
	£'000	£'000
Fair value of plan assets	18,396	16,426
Present value of defined benefit obligation	(20,655)	(19,326)
Net defined liability to be recognised	<u>(2,259)</u>	<u>(2,900)</u>

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

	2022	2021
	£'000	£'000
Opening fair value of employer assets	17,667	14,820
Interest Income	431	352
Experience on plan assets	397	1,197
Contributions by the employer	352	333
Withdrawals by Employees	2	-
Benefits paid and expenses	(453)	(276)
Closing fair value of employer assets	<u>18,396</u>	<u>16,426</u>

Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

	2022	2021
	£'000	£'000
Opening defined benefit obligation	21,144	15,666
Current service cost	16	-
Expenses	20	20
Interest cost	510	368
Contributions by members	2	-
Withdrawals by Employees	-	-
Actuarial losses / (gains)	(585)	3,548
Benefits paid and expenses	(452)	(276)
Actual return on plan assets	<u>20,655</u>	<u>19,326</u>

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

	2022	2021
	£'000	£'000
Current service cost	16	-
Expenses	21	20
Net interest expense	79	16
Defined benefit costs recognised in the SOFA	<u>116</u>	<u>36</u>
Actual return on plan assets	<u>828</u>	<u>1,549</u>

16 Pension Schemes (continued)

Net actuarial gain/(loss) on defined benefit pension scheme

	2022	2021
	£'000	£'000
Actuarial (loss) on recognising full scheme liability	–	(1,033)
Actuarial (loss) / gain on plan obligations	585	(3,548)
Actuarial gain on plan assets	397	1,197
	<u>982</u>	<u>(3,384)</u>

17 Retirement benefit schemes – Pathways

Defined contribution scheme

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Defined benefit schemes

The charity operates a pension scheme providing benefits based on final pensionable pay for 1 employee and 10 ex-employees. The assets of the scheme are held separately from those of the charity, being invested in an independently administered fund. The charity is an employing body within the Kent County Council Pension Fund which itself is part of the Local Government Pension Scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2022.

The independent actuary also prepares an annual valuation specific to the Charity for the sole purpose of accounting and reporting details of the Fund under the provisions of Financial Reporting Standard (FRS102) and the details that follow are drawn from that report for the year ended 31 March 2021. The accounts are prepared under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). It should be noted that the figures presented are only for the purposes of FRS 102 and have no validity in other circumstances. In particular, they are not relevant for calculation undertaken for funding purposes or for other statutory purposes under UK legislation.

The pension charge for the year was £16,000 (2020/21 – £12,180) and is shown under pension costs; defined benefit, in Note 5. The contributions of the company for the year were 19.50% and employees are 6.8% and 6.5%.

The defined benefit scheme is now closed to new members and so under the projected unit method the current service cost would be expected to increase over time as members of the scheme approach retirement.

17 Retirement benefit schemes – Pathways (continued)

*Other
information*

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

<i>Key assumptions</i>	2022	2021
	%	%
Discount rate	2.60%	2.00%
Expected rate of increase of pensions in payment	4.20%	2.80%
Expected rate of salary increases	3.20%	3.80%
<i>Mortality assumptions</i>	2022	2021
The assumed life expectations on retirement at age 65 are:		
	Years	Years
Retiring today		
– Males	21.6	21.6
– Females	23.7	23.6
Retiring in 20 years		
– Male	23.0	22.9
– Female	25.1	25.1
Amounts recognised in the income statement:		
	2022	2021
	£'000	£'000
Current service cost	16	13
Net interest on defined benefit liability	11	13
Other costs and income	1	1
Total costs	<u>28</u>	<u>27</u>
Amounts taken to other comprehensive income:		
	2022	2021
	£'000	£'000
Actual return on scheme assets	(26)	(284)
Less: calculated interest element	25	22
Return on scheme assets excluding interest income	(1)	(262)
Actuarial changes related to obligations	(68)	282
Other gains and losses	-	-
Total costs	<u>(69)</u>	<u>20</u>

The amounts included in the statement of financial position arising from the charity's obligations in respect of defined benefit plans are as follows:

17 Retirement benefit schemes – Pathways (continued)

	2022 £'000	2021 £'000
Present value of defined benefit obligations	1,760	1,818
Fair value of plan assets	(1,237)	(1,241)
Deficit in scheme	<u>523</u>	<u>577</u>

Movements in the fair value of plan assets:

	2022 £'000	2021 £'000
Liabilities at 1 April	1,818	1,515
Current service cost	16	13
Benefits paid	(44)	(29)
Actuarial gains and losses	(68)	282
Interest cost	36	35
Other	2	2
At 31 March	<u>1,760</u>	<u>1,818</u>

The defined benefit obligations arise from plans which are wholly or partly funded. Movements in the fair value of plan assets:

	2022 £'000	2021 £'000
Fair value of assets at 1 April	1,241	937
Interest income	25	22
Return on plan assets (excluding amounts included in net interest)	1	262
Benefits paid	(44)	(29)
Contributions by the employer	15	48
Contributions by scheme members	–	2
Other	(1)	(1)
	<u>1,237</u>	<u>1,241</u>

The fair value of plan assets at the reporting period end was as follows:

	2022 £'000	2021 £'000
Equity instruments	795	799
Debt instruments	297	314
Property	145	128
	<u>1,237</u>	<u>1,241</u>

18a Analysis of net assets between funds (current year)

	General unrestricted	Pension Reserve	Restricted	Total funds	Charity unrestricted funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	1,566	-	-	1,566	148
Investments	450	-	-	450	20
Net current assets	325	-	34	359	209
Long Term liabilities	(49)	-	-	(49)	-
Defined benefit pension provision	-	(2,259)	-	(2,259)	-
Net assets at 31 March 2022	2,292	(2,259)	34	67	377

18b Analysis of net assets between funds (prior year)

	General unrestricted	Pension Reserve	Restricted	Total funds	Charity unrestricted funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	1,586	-	-	1,586	95
Investments	450	-	-	450	20
Net current assets	492	-	34	526	89
Long Term liabilities	(70)	-	-	(70)	-
Defined benefit pension provision	-	(3,477)	-	(3,477)	-
Net assets at 31 March 2021	2,458	(3,477)	34	(985)	204

19a Movements in funds (current year)

	At 1 April 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Restricted funds:					
Roots for Life	3	-	-	-	3
Skills for Care	1	-	-	-	1
Corona Virus Grants	-	332	(332)	-	-
Fulfilling Lives	-	35	(35)	-	-
Maidstone Borough Council	30	-	-	-	30
Total restricted funds	34	367	(367)	-	34
General funds	2,458	18,729	(18,659)	(236)	2,292
Pension reserve	(3,477)	-	982	236	(2,259)
Total funds including pension fund	(985)	19,096	(18,044)	-	67

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

19b Movements in funds (prior year)

	At 1 April 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2021 £'000
Restricted funds:					
Roots for Life	3	-	-	-	3
Skills for Care	1	-	-	-	1
Corona Virus Grants	-	77	(77)	-	-
Fulfilling Lives	-	125	(125)	-	-
Maidstone Borough Council	-	30	-	-	30
Total restricted funds	4	232	(202)	-	34
General funds	796	20,282	(18,323)	(297)	2,458
Pension reserve	(846)	-	(2,928)	297	(3,477)
Total funds including pension fund	(46)	20,514	(21,453)	-	(985)

Purposes of restricted funds

- A. Tesco – Bags of Help awarded a grant specifically to be used on Roots for Life
- B. Fulfilling Lives – The Equinox Brighton team is part of a nationwide Big Lottery initiative designed to affect positive change on several levels in the area of multiple and complex needs.
- C. Corona Virus Fund – This is funding provided by various stakeholders to support service users' activities during the pandemic period.
- D. Skills for Care – This is a programme of work related to the Assessed and Supported Year in Employment.
- E. Maidstone Borough Council – This grant is a Move on Fund to support service users leave the service into independent accommodation.

20a Operating lease commitments – Group

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

	2022 £'000	2021 £'000
Less than one year	2,432	1,880
One to five years	3,461	2,381
Over five years	788	1,037
	6,681	5,298

20b Operating lease commitments – Charity

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

	2022	2021
	£'000	£'000
Less than one year	80	80
One to five years	47	47
	<u>127</u>	<u>127</u>

21 Post Balance Sheet events

On 1st November 2022, The Social Interest Group became and sole member of Safe Ground (charity no 1048181, company no 03080847).

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.