

Charity registered number 292579
Company registration number 01859070

Pathways to Independence Ltd

Report and financial statements

For the year ended 31 March 2024



**Pathways to
Independence**

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

Pathways to Independence was established in October 2013 following the merger of two well-established, Kent-based charities: Medway Cyrenians and Hope (Kent) Limited. On January 19, 2021, Pathways to Independence joined Social Interest Group and now trades as SIG Pathways.

Directors and Charity trustees

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

Chairman

Karl Marlowe

Other trustees

Dylan Kerr

Stuart Jenkin

Jeff Loo

Claire Barton

Company Secretary

Michael Rutherford

Senior Leadership Team

Group Chief Executive

Gill Arukpe

Director of Finance & Resources

Michael Rutherford

Director of People & Culture

Maria Speight

Director of Services & Support

Angela Henry

Paul Addicott (Appointed 15th Jul 2024)

Director of Development, Marketing & Communications

Greg Tythe

Director of External Affairs & Impact

Adam Moll (Appointed 1st Apr 2023)

Director of Housing & Maintenance

Matthew Costin

Director of Compliance, Risk & Internal Audit

Jenny Ralls

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 Cook LLP

2 Putney Hill

London

SW15 6AB

DWF LLP

1 Scott Place

2 Hardman Street

Manchester

M3 3AA

Company registration number

01859070

Charity registration number

292579

www.socialinterestgroup.org.uk
enquiries@socialinterestgroup.org.uk

Pathways to Independence Ltd
Trustee report
For the year ended 31 March 2024

The trustees present their report and the audited financial statements for the year ended 31st of March 2024.

The reference and administration information set out on the previous page form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives

Purposes and Aims

The objects of SIG Pathways to Independence, as set out in the Articles of Association, are for the public benefit:

- Provide support and relief, including rehabilitation from the causes and effects of poverty, homelessness, illness and criminal behaviour for persons aged 16 and over in the county of Kent and the surrounding area by providing or assisting in the provision of accommodation, education, training for employment, advice and counselling and other supportive facilities for such persons.

The trustees review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the Charity has brought to the people 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 contribute to the aims and objectives.

Activities

SIG Pathways works with single people experiencing homelessness, leaving prison and those forced to sleep rough who are vulnerable due to social and health reasons and inequalities of access to a home, employment and health care services and have multiple complex social and care issues that need support. They may be recovering from substance or alcohol use and experiencing mental health problems. All of the clients we work with are in SIG Pathways, have been or are in the criminal justice system, and may have been homeless and spent time rough sleeping. SIG Pathways has served marginalised and socially excluded people in communities across Kent and Medway for forty years. It has a track record of improving the lives of service residents, in turn reducing recidivism, return to the streets, and substance and alcohol use. Our support improves people's opportunities in life significantly and allows them to develop fulfilling and settled lives in their local community.

Our bespoke Theory of Change (TOC) and personalised support work addresses the individual needs of residents in terms of any life or skill deficiency or personal issue that affects a person's life in a way that inhibits their ability to maintain independent accommodation. Using TOC, a psychologically informed environment, and homeless and offending STAR, a resident's journey is measured at least every three months during their stay through regular key-work sessions with an allocated Support Coach. During their stay, life skill activities, group work, brokerage, and other support and care services are provided. SIG Pathways provides a peer mentoring service, temporary accommodation in Maidstone, a Rough Sleeper Initiative (RSI) project in Medway, and supported accommodation for single people and people leaving prison who are homeless.

Chief Executive Statement

This year, we have made remarkable progress and achieved meaningful milestones, including supporting 204 people across SIG Pathways to Independence. We improved staff retention by increasing training, development, and staff pay and reduced our vacancy rate. We should take pride in and celebrate this significant achievement.

We remain dedicated to finding practical service solutions to support the demands of people in need and for commissioners responsible for strategically meeting those needs. We aim to do this from across a range of health and social care areas caused by the inequity of access for the poorest in our society to a good home, employment and health and social care. Many of the people we support feel trapped in the criminal justice system, homelessness cycle and within the mental health pathways.

In a world where socio-economic issues are increasingly entwined, our rich and diverse experience across multiple sectors and policy areas places us in a strong position to innovate and develop new models to support those facing multiple disadvantages.

The advent of a new government with fresh ideas and a fresh approach brings cause for optimism. We know that many immediate challenges they must resolve, from overcrowded prisons to underfunded social care, directly impact the people we support and our frontline staff teams trying to make a difference. Reforms will take time, and we are acutely aware of the financial restrictions the new administration must operate within. However, we are confident that we can and will be part of the solutions to make our public services more impactful, efficient, and equitable.

We at SIG Pathways take great pride in offering opportunities for residents and participants in our peer work programs, staff recruitment, service reviews, focus innovation meetings, audits, and employment. This approach has resulted in impactful outcomes and improved our services and learning. Our dedicated efforts in establishing a genuine approach to Equity, Diversity, and Inclusion (EDI) have been a great source of inspiration. We recently were shortlisted for a Charity Times award for our EDI work. We wholeheartedly embrace and celebrate every voice in our communities and are resolute in dedicating substantial resources to our EDI programs to move beyond tokenism.

Our ambition of resident and participant inclusivity in all we do aims to bring about systems change and acknowledge the invaluable wisdom and experience of those most affected by systems and services. By sharing lived experiences and well-informed perspectives on critical issues, their voices ensure our efforts are meaningful in confronting injustices head-on with external decision-makers. Our influential Theory of Change, centred on Identity, Community, and Relationships, has profoundly impacted our support for residents and participants.

Our phenomenal staff are our greatest strength, displaying untold resilience, innovation and passion to support positive change in the most challenging circumstances. We are investing in the training and support required to keep our services safe and keep our staff feeling valued and fulfilled in their roles. Our culture, the 'How' we work together, is critical to achieving this. We have introduced changes to our incidents and investigations processes to nurture a trauma-informed culture that prioritises learning over blame and understands that there will be challenging situations in the sectors we work in. Adverse outcomes cannot always be avoided.

SIG Pathways has cultivated an inspiring and successful community. We secured a certificate of achievement at the Kent Charity Awards for our outstanding use of volunteers. At the SIG annual recognition awards, SIG Pathways Medway, Maidstone and Peer Mentoring Services were recognised for their innovation, inspiring work and care. Several service residents and participants were also recognised for their remarkable progress journeys and contributions to

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SIG Pathway's work and values. I am deeply honoured to have received a prestigious Social Care Leadership Award for my dedication to leadership excellence.

Looking ahead, we are committed to continuously raising the bar in service delivery, care, and support to provide impactful social change for individuals and wider communities. Standing at a crossroads for public services, we are more determined than ever to play our part in building a more just and equitable society where everyone has every opportunity to be the best version of themselves.

A handwritten signature in purple ink, appearing to read 'G. Arukpe', is positioned below the main text block.

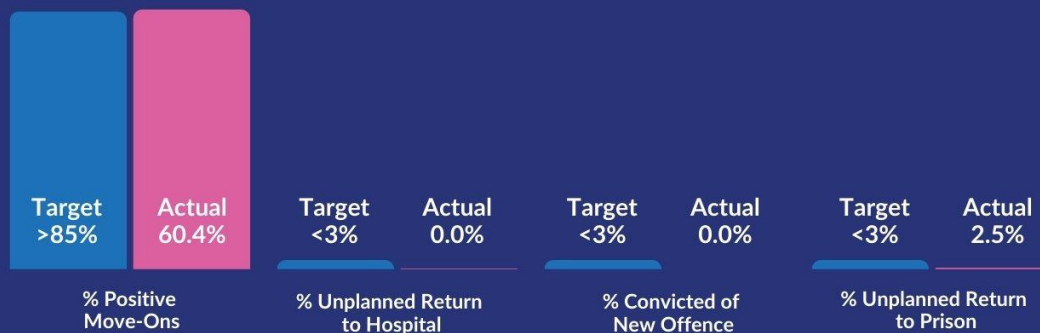
Gill Arukpe, Group Chief Executive
27th November 2024

Impact & Results

In 23/24 SIG Pathways to Independence supported 204 people across our different services.



SIG Penrose Performance Metrics



Empowering Change

"I was moved to a visiting flat with Pathways and this was great and a fresh start to help myself move forward. I worked hard with my support worker and eventually I was put forward with HomeChoice to move into independent living. This was over two years ago and I have managed to maintain my flat and I am proud to call it my home."

"I feel safe and have enjoyed living here."

"Key Worker Sessions gave me a chance to talk about my issues and solve problems."

"A few months ago a part time job was advertised to be an Outreach Worker for Pathways. I have wanted to work for Pathways ever since I moved in, as I can see the valuable work they do. I applied not knowing what to expect, but to my surprise I was offered the job!"

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

"Without SIG Pathways, accommodation and help, I didn't believe I had a future."

"When one is homeless and alone, communication shuts down, but now, I have a routine and can communicate for the first time in a long time. Without the support of Pathways and someone who believed in me, I thought it impossible to progress to a point where I was ready to live independently."

Our Focus

Promoting a Positive Safety Culture

At the start of the year, we set out to cultivate a positive safety culture and made significant progress in incident reporting, safeguarding and whistleblowing. Through focus groups and webinars, training, expert advice, and practical information, we've empowered colleagues, residents, and participants, fostering a culture of curiosity, learning and constructive feedback.

Our parent company, SIG, introduced new processes and procedures for reporting accidents, incidents, and near misses (AINMs) and a new whistleblowing system. This change emphasises the importance of confidentiality, collaboration, and protection, and we have trained a team of Whistleblowing Champions from across the organisation as approachable experts who can give advice. We gained rich feedback around improving physical safety, including the provision of 'safe space' in residential settings, review of de-escalation, breakaway and team regulation training, leadership commitment to safety 'by design and default', and review of relevant policies and procedures.

We also recognise our services' challenging and unique safeguarding situations and have invested in comprehensive staff training to address complex care and support needs. Each service now has a trained local safeguarding lead who provides tailored support and training to meet the unique care requirements of the residents and participants they support. We will provide more targeted staff training to encourage reporting and align our procedures with the NHS's Patient Safety Incident Response Framework as best practice. We will also normalise shared learning in response to AINMs and ensure our response and approach to learning are trauma-informed.

Creating a Sustainable Workforce

SIG's People & Culture team supports the staff at SIG Pathways. The team led a powerful transformation throughout the year to elevate our recruitment, training, and development capabilities. This involved expanding the team, streamlining workflows, enhancing management capability, reducing agency costs, and prioritising permanent role fulfilment.

The team revamped our recruitment strategy, resulting in more efficient processes and new channel partnerships. The introduction of *Reach*, our first Applicant Tracking System, ushered in automation, reduced time-to-hire, and revolutionised our onboarding process, delivering a 60% decrease in our vacancy rate across the group. They reviewed our e-learning and broader training program and successfully implemented data analytics to produce regular reports and ensure compliance. Online training across the group saw a compliance surge from 75% to 82%.

Renewing our Investors in People accreditation underscored our commitment to employees' well-being. Recognising the pivotal role of fair compensation, we collaborated with SIG and the Board to enhance pay rates and address disparities. SIG strategically established an optimal payroll solution by embedding payroll into the People & Culture team and workflows.

Creating an Empowering and Inclusive Culture

Inclusivity ensures equity of opportunity and inclusion for all if fully embraced and understood. Our Equality, Diversity and Inclusion (EDI) Programme has flourished this year, culminating in a group-wide programme that ardently fosters a culture of collective learning and continuous improvement across every echelon of SIG Pathways and the wider group.

We've spearheaded initiatives from policy development and recruitment processes to cost-of-living support, staff training, and workshops. We've also expanded our expertise in community consultations and working with SIG's External Affairs Team. Through these concerted efforts,

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SIG Pathways ensures top-tier, inclusive support for all who need us and the influence of industry standards and best practices.

Our volunteer EDI Ambassadors recruited from across SIG, including SIG Pathways service staff teams, are dedicated to embedding inclusivity throughout our service delivery approaches, programs, and day-to-day activities. They support developing transparent career development and best practices models to ensure we provide demographic-sensitive services to residents and program participants. They nurture and retain strong links to our Participant and Resident Involvement Group, representing the voices of those accessing our services.

Together, they gauge various stakeholder opinions through workshops, support groups, community forums, and house meetings. The collective findings from these engagements inform and enhance local service delivery approaches and unroot any unconscious bias. This plan includes developing training in understanding learning-based challenges, discriminative behaviours, and learning styles of neurodiverse communities. Our plans for next year involve implementing an inclusion learning package for all staff and senior leadership.

Building Inclusive Communities

We formed strong partnerships with voluntary agencies to unite marginalised communities and drive positive change. We deliver some of our bespoke training programs in Kent for the Shaw Trust staff teams. Our collaboration with key stakeholders, including the Medway and Maidstone Council commissioning teams, ensures that our service can serve local needs in the community where it is based. With partners, including Kent Housing Group, we spearhead an EDI strategy focused on allyship and utilising data learning to enhance our service delivery. By aligning with Shelter Housing's HouseProud Accreditation Programme, we are strengthening our support for LGBTQ+ communities. Recognised as a Disability-Confident organisation, we aim to lead in improving behaviours and cultures internally and within our external networks and communities and reap the benefits of inclusive recruitment practices.

Supporting Systems Change

In response to feedback from residents and participants regarding how they felt trapped and unsupported by the current external health, housing and criminal justice systems, SIG, our parent company, invested in and established an External Affairs Directorate. Officially launched in June, this team empowers the voices of our Kent service residents and participants so key decision-makers can hear them in local and national government. Learning from their lived experience and their vision of what they need to help create solutions to enable them to succeed. Our support has enabled service residents and participants to lobby for equity pledges from key MPs, including the Shadow Minister for disabled people.

SIG Pathways is passionate about co-production in creating efficient services informed and designed by people with lived experience and through efforts, such as using theatre as a powerful platform to influence local policy for homelessness with Medway Council. SIG Pathways Medway team continued participating in annual street counts to support the local evidence-based estimates.

To ensure our initiatives are firmly rooted in lived experience, we conducted extensive focus groups involving residents, participants, staff, and commissioners across our services. This approach gave us intimate insights into the necessary changes to enhance health and social care services. Our research findings unveiled clear themes and areas where our residents and participants felt statutory service delivery could be improved and had failed them, revealing multiple barriers to equitable and compassionate support and treatment, especially when they have a dual diagnosis – where they feel ping-ponged between health agencies, refusing to help while they are still using drugs and alcohol but mentally unwell.

With this insight, we have developed strategic priorities for our influence and advocacy work, focusing on integrated care, community care, Mental Health Act reform, and destigmatising services through equitable practices. Our goal is to drive positive change, particularly for marginalised groups. Our influence also extends to the Clinks Reducing Reoffending Third Sector Board through SIG, where we actively contribute to reviewing the impact of current and proposed criminal justice policy on the voluntary sector and people in criminal justice settings.

Business Continuity

We invest in continuous personal and professional development through e-learning, broader training courses, and competitive staff salaries to retain our workforce. We also focus on shaping and improving our properties through a new home standard and quality estate management. This plan prioritises safety, energy efficiency, inclusivity, and accessibility to make a social and environmental impact and exceed residents' expectations. We continue to focus on enhancing service delivery through alliances, learning, a willingness to take risks, and ambition to generate new growth opportunities, attract a wider audience, and establish ourselves as a resilient and innovative sector leader.

Carbon Management Plan

We are working towards ISO14001 and are committed to the goal of net-zero carbon emissions by 2030, which aligns with the group's sustainability policy. Our partnership with Auditel, a highly respected carbon solutions company, includes producing a PPN 06/21-compliant Carbon Reduction Plan, demonstrating our commitment. Our focus on sustainability promotes sustainable transport through initiatives such as our CycleScheme. We embrace technologies to facilitate meetings and reduce paper consumption. Our emphasis on waste minimisation includes adopting circular practices and sustainable disposal of PPE and other waste through reduction, reuse and recycling to meet legislative and regulatory requirements for waste disposal.

Significant Events

Medway Accommodation Services Receive 'A' Grade

We are thrilled to announce that our Medway accommodation services, commissioned by the Medway Council, received another 'A' grade in Health and Safety for the second year running as part of the Medway Quality Assessment Framework. This achievement reflects our team's dedication and hard work, the comprehensive range of policies and procedures in place, and outstanding staff support. We take great pride in this recognition and remain committed to providing high-quality, supported accommodation services to the Medway community.

Upgrading our Medway Homeless Project

Thanks to generous funding from Medway Council as part of the UK Shared Prosperity Fund, we transformed our Pier Road support accommodation service in Gillingham to provide enhanced support for vulnerable people in Medway. Our upgraded facilities now allow us to offer a wide range of services, including ICT support, training, mentoring, counselling and coaching to address issues such as homelessness, mental health, substance use, unemployment, and social isolation. These enhancements enable us to increase our impact in reducing homelessness and alleviate pressures on local crisis response and support services.

Overcoming Barriers to Support Services

Our Medway Project extends across five sites and is crucial in providing a step-down pathway and progression to independent living for men who have experienced homelessness with a history in the criminal justice system. The service collaborates with Forward Trust to offer counselling, recovery groups and innovative weekly outreach at Medway Maritime Hospital and through our Peer Mentor Outreach Service, which has garnered admiration from commissioners and agencies. This year, we negotiated to lease one of our spaces to Forward Trust as a regular drop-in service to enhance engagement and community-based treatment support. This generates much-needed additional income for SIG Pathways.

Award-Winning Teams

SIG Pathways reached the final stage of the Best Use of Volunteers category at the Kent Charity Awards for our Medway Peer Mentor Outreach Service, a specialist outreach project, and volunteer counsellors for their remarkable contribution. There are no similar awards in Kent, making this event an important date in the third sector diary. Congratulations to the Peer Project and our counselling volunteers for their remarkable contribution to SIG Pathways and for being recognised in this way. This is a testament to the impactful work being done.

Recognising our People

The SIG Awards celebrate the remarkable achievements of Social Interest Group staff, residents and participants. This year, they recognised SIG Pathway's Maidstone and Medway Teams, Peer Mentor Outreach Service and in-house Support Coaches for their exceptional dedication to ensuring residents and participants progress significantly and enhance engagement with even the most hard-to-reach individuals. Additionally, several residents were recognised for their instrumental role in creating and performing legislative theatre, spotlighting key themes and issues for Medway Council's homelessness and rough sleeping strategy, and capturing national attention.

Arts to Influence Legislation

Recent advances in neuroscience confirm the connection between artistic expression, language, movement, and trauma healing. SIG Pathways proudly utilised the combination of science and the arts to influence positive societal change. Through an impactful interactive production, staff, residents, and participants have effectively addressed homelessness-related issues, collaborating with council policy leaders and led by Arts and Homelessness International.

This went beyond being expressive art; it brought people together and provided a platform to act out their lived experiences and highlight systemic obstacles, including housing benefits inadequacies, unsafe shared accommodations and disjointed health and housing policies. This creative approach to legislation development enables performers, audiences, and policymakers to engage and create effective, fair, and sustainable solutions and systems through open discussion. After the event, Medway's policy team committed to several new approaches. Towards the end of 2024, Medway will present its upcoming homelessness and rough sleeping strategy incorporating these new approaches to The UK Cabinet.

Financial Review 2023/24

SIG Pathways made an operating surplus of £73k (2022/23 - £57k) at the operating profit level before a past service surplus pension gain of £11k (2022/23 - £519k). This results in an unrestricted fund balance of £1,877k at 31st March 2024 (2022/23 - £1,804k). In addition, it had a restricted fund balance of £30k (2022/23 - £30k).

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The pensions reserve at the end of the year was a £7k deficit (2023 - £18k deficit) and relates to the past service deficit liability relating to the defined benefit and retirement Local Government Pension Schemes. SIG Pathways has no ability to influence the actuarial gains/losses or balance sheet liability and could see losses and increased liability in future. New legislation with effect from 23rd September 2020 allows Employers (known as Deferred employer) to enter into an agreement with the administering authority to defer the obligation to make the exit payment (enter into a Deferred Debt Agreement) and continue to make contributions at the secondary rate as determined by the actuarial valuation until the termination of the deferred debt agreement. This is available to us even if the last member leaves. We will be reviewing this to put in place.

The trustees consider the results acceptable given the wider economic environment, ongoing changes, and increased competition within the sector. Therefore, our focus must remain on developing new services, new funding models, and effective and financially efficient models of service delivery moving forward.

The principal funding sources remain Local Authority contracts for our resettlement and accommodation projects and rental income funding the work we do with preventing homelessness and with homeless people. The trustees appreciate the funding from its funders, including those statutory commissioners for the work streams they support and the vital non-statutory funding received from individuals, trusts and foundations.

Principle risks and uncertainties

SIG Pathways has a risk management strategy that the trustees oversee. 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 or B drug usage on our premises. This is not surprising, given the activities undertaken by SIG Pathways. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well-trained staff, incident and near-miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our residents and participants, responsible officers, and the police. In addition, SIG Pathways 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 the KCC to fund the scheme's shortfall in pension liabilities. The risk is regularly reviewed to ensure that contributions are affordable and do not significantly burden the Charity.

Reserves policy and going concern

The Trustees reviewed the reserves policy in light of the relevant guidance on the established level of reserves (those funds that are freely available) that the charity ought to have at any given time. Reserves are needed to bridge the funding gap between service spending and cover the impact of increased demand for its services on working capital and unforeseen budget variances. Reserves are also held to cover risks SIG Pathways to Independence faces, including loss of contract income.

The trustees evaluated the commitment to future expenditure against likely future income streams, weighing each element according to size, probability, spread of risk and operational impact. During the year, the trustees reviewed the level of reserves required in light of the ongoing challenging financial environment. The trustees agreed the free reserves target should be approximately £150k, the same level as last year. The charity needs to maintain sufficient funds to cover any potential loss in contract income and short-term cash flow, to have

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approximately three months of expenditure available at all times, and to cover costs if the charity winds up. The unrestricted free reserves, excluding the past service pension plan, are £1,877k at 31st March 2023 (£1,804k at 31st March 2023). This comprises the designated fund and the property revaluation reserve.

The trustees will continue to review the reserves policy and position.

The trustees are in the process of considering options to maintain the charity's continued viability and do not consider there are any material uncertainties about the charity's ability to continue as a going concern for the immediate future.

Business Development

SIG Pathways achieved stability, successfully retaining all contracts up for retender. A particular highlight was the continuation of the Medway Peer-to-Peer service, which works closely with Medway's Multiple Disadvantage Team. Supported by a full-time Peer Outreach Coordinator and a full-time Peer Outreach Worker, the service oversees a team with lived experiences specially trained as Peer Support Workers. This team plays a vital role in engaging people in the community who are using substances, are at risk of, and are experiencing rough sleeping and helping them overcome any barriers to support.

Over the year, the Peer Support Worker team has assisted 54 people, facilitating engagement with drug and alcohol treatment, recovery support services, and related wraparound support to break the cycle of homelessness. Notably, 96% of the people supported were at risk of rough sleeping, with the remaining 4% already in a situation of rough sleeping.

Thank You

This report and all the work of SIG Pathways to Independence would not have been possible without the considerable and ongoing contributions of our multiple partners, allies, supporters, and funders, including Reddico, Maidstone, and Medway Councils.

Structure, governance and management

SIG Pathways is a charitable company limited by guarantee governed by its Articles of Association. Its members are the Trustees named on page three, and in the event of the company winding up, their liability is limited to £1 per member.

The sole member of SIG Pathways to Independence is Social Interest Group, effective from 1st of January 2021, and the non-executive trustees of Social Interest Group were appointed as the trustees.

All the trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Appointment of trustees

The trustees are listed on page three. They hold office for an initial period of three years, with the possibility of a second term of three years plus; in exceptional circumstances where the trustee has specific skills, the board can extend this. 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 board meetings and visit projects before being confirmed for 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 that will facilitate the undertaking of their role. All trustees have participated in Safeguarding training.

Related parties and relationships with other organisations

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

Remuneration policy for key management personnel

Social Interest Group non-executive trustees set the Group Chief Executive's remuneration. All other staff are remunerated according to a job evaluation process and market rates, which external consultants review.

Policy for employment of disabled persons

In April 2019, we became a Disability Confident Employer.

The Charity's policy is not to discriminate against persons covered by the Disability Discrimination Act 1995 because 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 grounds of their disability), service delivery (disabled applicants, 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 takes its investment in its staff's professional development seriously and aims to provide different learning opportunities. The charity aims 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, which comprises 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 an extremely challenging climate. We confirm that the Charity pays at least the London Living Wage to our employees working in London.

Statement on use of volunteers

At SIG Pathways, we greatly value the contributions of our volunteers, who play a vital role in achieving our mission. In the financial year ending 31 March 2024, we engaged five volunteers who collectively contributed 1,352 hours of service. Their efforts enhance our programs and help us maintain a strong connection with the community we serve.

In accordance with the Charities SORP (Statement of Recommended Practice), we recognise that while volunteers are not paid staff, their contributions are essential to our operations. We ensure that all volunteer activities are well-supported and that volunteers receive appropriate training and resources to perform their roles effectively. The impact of our volunteers is not reflected in our accounts.

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 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 maintaining the integrity of the corporate and financial information 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.

The member of the Charity is guaranteed to contribute an amount not exceeding £1 to the charity's assets in the event of winding up. The total number of such guarantees at the year-end was one (2023: one). The non-executive trustees are not members of the Charity.

The trustees' annual report, which includes the strategic report, has been approved by the board of trustees on 27th November 2024 and signed on their behalf.



Dr Karl Marlowe
Chairman

Opinion

We have audited the financial statements of Pathways to Independence (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Independent auditor's report to the members of Pathways to Independence Ltd

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, 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, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report to the members of Pathways to Independence Ltd

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

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

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

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

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

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

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

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

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

A further description of our responsibilities is available 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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

02 December 2024

Pathways to Independence Ltd
Statement of Financial Activities (incorporating an income and expenditure account)
For the year ended 31 March 2024

Statement of Financial Activities

		Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	2024 Total Funds £'000	Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	2023 Total Funds £'000
	Note								
Income from:									
Charitable Activities	2	2,057	-	-	2,057	1,920	-	-	1,920
Donations and legacies	2	2	-	-	2	2	-	-	2
Investment income	3	10	-	3	13	-	-	-	-
Total income		<u>2,069</u>	<u>-</u>	<u>-</u>	<u>2,072</u>	<u>1,922</u>	<u>-</u>	<u>-</u>	<u>1,922</u>
Expenditure on:									
Charitable activities	4	(1,996)	-	-	(1,996)	(1,865)	-	-	(1,865)
Total expenditure		<u>(1,996)</u>	<u>-</u>	<u>-</u>	<u>(1,996)</u>	<u>(1,865)</u>	<u>-</u>	<u>-</u>	<u>(1,865)</u>
NET INCOME	5	<u>73</u>	<u>-</u>	<u>3</u>	<u>76</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>57</u>
Transfers between funds		-	-	-	-	14		(14)	-
Other recognised gains and losses									
Actuarial gains on defined benefit pension schemes		-	-	8	8	-	-	519	519
Net movement in funds		<u>73</u>	<u>-</u>	<u>11</u>	<u>84</u>	<u>71</u>	<u>-</u>	<u>505</u>	<u>576</u>
Reconciliation of funds									
Total funds brought forward		<u>1,804</u>	<u>30</u>	<u>(18)</u>	<u>1,816</u>	<u>1,733</u>	<u>30</u>	<u>(523)</u>	<u>1,240</u>
Total funds carried forward	17a	<u>1,877</u>	<u>30</u>	<u>(7)</u>	<u>1,900</u>	<u>1,804</u>	<u>30</u>	<u>(18)</u>	<u>1,816</u>

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 17a to the financial statements.

Pathways to Independence Ltd
Balance Sheet
For the year ended 31 March 2024

Balance Sheet

		£'000	2024 £'000	£'000	2023 £'000
	Note				
Fixed assets					
Tangible assets	10		1,249		1,273
Current assets					
Debtors	11	297		110	
Cash at bank and in hand		641		736	
		<u>938</u>		<u>846</u>	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(257)</u>		<u>(249)</u>	
Net current assets			<u>681</u>		<u>597</u>
Total Assets less current liabilities			<u>1,930</u>		<u>1,870</u>
Creditors: amounts falling due after one year			<u>(23)</u>		<u>(36)</u>
Net assets excluding pension scheme provision			<u>1,907</u>		<u>1,834</u>
Defined benefit pension scheme provision			<u>(7)</u>		<u>(18)</u>
NET ASSETS			<u><u>1,900</u></u>		<u><u>1,816</u></u>
FUNDS					
Restricted funds			30		30
Unrestricted funds					
General funds		1,336		1,263	
Pension reserve		(7)		(18)	
Designated funds		97		97	
Revaluation reserve		<u>444</u>		<u>444</u>	
Total Unrestricted funds			<u>1,870</u>		<u>1,786</u>
TOTAL FUNDS	17a		<u><u>1,900</u></u>		<u><u>1,816</u></u>

Approved by the trustees on 27th November 2024 and signed on their behalf by



Karl Marlowe
Chair



Gill Arukpe
Chief Executive

Pathways to Independence Ltd: A company limited by guarantee, Company Registration Number 01859070
(England and Wales)

Pathways to Independence Ltd
Cash Flow Statement
For the year ended 31 March 2024

Cash Flow Statement

	Note	£'000	2024 £'000	£'000	2023 £'000
Cash flows from operating activities:					
Net income for the reporting period (as per the statement of financial activities)		84		576	
Depreciation charges		31		51	
Movement in long-term pension deficit liability		(11)		(505)	
(Increase) / decrease in debtors		(187)		80	
Increase / (decrease) in creditors		8		(46)	
Net cash (used in) / provided by operating activities			(75)		156
Cash flows from investing activities:					
Purchase of fixed assets		(7)		(9)	
Net cash used in investing activities			(7)		(9)
Cashflows from financing activities					
Repayments of borrowing		(13)		(13)	
Net cash (used in) financing activities			(13)		(13)
Change in cash and cash equivalents in the year	13a		(95)		134
Cash and cash equivalents at the beginning of the year			736		602
Cash and cash equivalents at the end of the year			641		736

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

Notes to the Financial Statements

1 Accounting Policies

a) Statutory information

Pathways to Independence is a charitable company limited by guarantee and is incorporated in England & Wales.

The registered office is 1 Waterloo Gardens, Milner Square, London, N1 1TY.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

c) Public benefit entity

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

d) Going concern

The Company continues to be profitable and with net assets. The Trustees have looked at the performance to 31st March 2024 and the post year end period. They have also taken into consideration the underlying cashflows expected over a period of at least twelve months from the date of signing this report. The Trustees consider that the outlook presents challenges and uncertainty in terms of Service Users and contract renewals. The Trustees have instigated measures to manage liquidity.

The Company continues to operate under contracts which are subject to renewal within the next 12 months. Analysis and budgeting has determined that the Company is in a healthy position, and continues to be profitable. In addition, with the Company part of Social Interest Group, there are additional opportunities for the Company to explore.

Stress testing has emphasized the Company's ability to continue operating for the foreseeable future even with severe impacts on revenue generation. Based on the above, the Trustees believe the company will continue to operate as a going concern.

e) Income

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

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

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

f) 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.

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

1 Accounting Policies (continued)

g) 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.

h) Central support costs

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

i) Leases

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

j) Tangible fixed assets

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

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

Freehold property	50 years straight line
Leasehold property	50-100 years straight line
Office equipment	3 years straight line
Other fixed assets	3 years straight line
Fixtures and fittings	3 years straight line
Motor vehicles	5 years straight line

k) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid. Judgement is made around the recoverability of debt and a provision is made based on the age and type of debt. Former resident arrears are provided for in full, whilst current resident arrears are provided for based on age and circumstances.

l) 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.

m) 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.

n) Financial instruments

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

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

1 Accounting Policies (continued)

o) Pensions

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.

2 Donations

	Unrestricted funds 2024 £'000	Unrestricted funds 2023 £'000
Donation and gifts	2	2

3 Charitable activities – supporting vulnerable people

SIG Pathways 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. SIG Pathways income is predominantly contractual income from local authorities and rental income and service charges from residents.

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

4a Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2024 Total £'000	2023 Total £'000
Staff costs (Note 6)	720	-	283	1,003	991
Recruitment & training	-	-	32	32	46
Subsistence & travel	10	-	2	12	14
Premises Costs	350	-	10	360	284
Office running costs	80	-	24	104	83
Insurance	-	-	18	18	18
Information technology	-	-	43	43	42
Legal & Professional	-	-	16	16	24
Depreciation	34	-	-	34	55
Audit fees	-	6	-	6	6
Other Costs	377	(11)	2	368	302
Total expenditure 2024	<u>1,571</u>	<u>(5)</u>	<u>430</u>	<u>1,996</u>	
Total expenditure 2023	<u>1,430</u>	<u>6</u>	<u>429</u>		<u>1,865</u>

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

4b Analysis of expenditure (previous year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2023 Total £'000
Staff costs (Note 6)	725	-	266	991
Recruitment & training	-	-	46	46
Subsistence & travel	13	-	1	14
Premises Costs	274	-	10	284
Office running costs	66	-	17	83
Insurance	-	-	18	18
Information technology	-	-	42	42
Legal & Professional	-	-	24	24
Depreciation	55	-	-	55
Audit fees	-	6	-	6
Other Costs	297	-	5	302
Total expenditure 2023	<u>1,430</u>	<u>6</u>	<u>429</u>	<u>1,865</u>

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

5 Net income / (expenditure) for the year

This is stated after charging :

	2024 £'000	2023 £'000
Depreciation	34	51
Operating lease rentals:		
Property	350	256
Auditor's remuneration (including VAT):		
Audit	<u>6</u>	<u>6</u>

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

Staff costs were as follows

	2024 £'000	2023 £'000
Salaries and wages	687	713
Redundancy and termination costs	-	-
Social security costs	64	63
Employer's contribution to pension schemes	28	29
Agency costs	<u>224</u>	<u>186</u>
	<u>1,003</u>	<u>991</u>

No employee earned more than £60,000 during the year (2023: Nil).

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

7 Staff numbers

	2024 £'000	2023 £'000
Operational	17	18
Administration	<u>-</u>	<u>1</u>
	<u>17</u>	<u>19</u>

8 Related party transactions

SIG Pathways was charged £438,822 for central office functions provided by the parent charity Social Interest Group (2023: £422,676). SIG Pathways was owed/owed the following amounts to fellow subsidiaries; £41,710 was owed from SIG at the yearend (2023: owed £15,196). £31,285 was owed to Penrose Options at the yearend (2023: owed £26,299).

9 Taxation

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

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

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

10 Tangible fixed assets - Group

	Freehold property £'000	Leasehold property £'000	Fixtures & fittings £'000	Office Equipment £'000	Motor Vehicles £'000	Other fixed assets £'000	Total £'000
Cost							
At the start of the year	1,150	179	46	123	12	126	1,636
Additions in year	-	-	-	-	-	7	7
At the end of the year	1,150	179	46	123	12	133	1,643
Depreciation							
At the start of the year	46	23	46	119	8	121	363
Charge for the year	17	5	-	4	3	2	31
At the end of the year	63	28	46	123	11	123	394
Net book value							
At the end of the year	1,087	151	-	-	1	10	1,249
At the start of the year	1,104	156	-	4	4	5	1,273

After the balance sheet date, Pathways provided security of its freehold properties to SIG Penrose Options, who is also a member of Social Interest Group.

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

11 Debtors

	2024	2023
	£'000	£'000
Trade debtors	185	81
Amounts due from Group undertakings	42	-
Pension contributions	3	3
Prepayments	28	26
Other debtors	5	-
Accrued Income	34	-
	<u>297</u>	<u>110</u>

12 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Bank loan	15	15
Trade creditors	56	4
Taxation and social security	8	6
Other creditors	75	10
Amounts due to Group undertakings	31	141
Accruals	72	73
	<u>257</u>	<u>249</u>

13 Creditors: amounts falling due after one year

	2024	2023
	£'000	£'000
Bank loans	23	36
	<u>23</u>	<u>36</u>

14 Loans and overdrafts

	2024	2023
	£'000	£'000
Bank loans	38	51
Payable within one year	15	15
Payable after one year	23	36

The bank loan is secured by way of a first legal charge over a freehold property owned by the Charity. The loan was settled after the balance sheet date.

15 Pension Schemes

Defined Contribution Schemes

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.

Kent County Council Pension Fund ("Scheme")

The charity operates a pension scheme providing benefits based on final pensionable pay for 1 employee and 8 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 2023.

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

15 Pension Schemes - Kent County Council Pension Fund ("Scheme") (continued)

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 2023. 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 £16,930 (2023 - £11,890) and is shown under pension costs; defined benefit, in Note 6. The contributions of the company for the year were 29.1% (2023: 29.1%).

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.

Number of active members in the scheme

	2024	2023
	No.	No.
Active	1	1
Deferred	3	3
Pensioners	5	5

Financial assumptions

	2024	2023
	% pa	% pa
Rate of discount	4.90	4.80
Earnings increases	2.95	2.90
Expected rate of increase of pensions in payment	3.95	3.90

Kent County Council Pension Fund ("Scheme")

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

Other material assumptions

	years	years
Life expectancies in retirement:		
Male currently aged 65	20.8	21.1
Female currently aged 65	23.3	23.5
Male currently aged 45	22.0	22.3
Female currently aged 45	24.7	25.0

	2024	2023
	£'000	£'000
Fair value of plan assets	1,277	1,248
Present value of defined benefit obligation	(1,284)	(1,266)
Net defined liability to be recognised	(7)	(18)

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

	2024	2023
	£'000	£'000
Opening fair value of employer assets	1,248	1,237
Interest income	60	32
Experience on plan assets	(13)	(15)
Contributions by the employer	14	14
Contributions by scheme members	2	2
Benefits paid and expenses	(33)	(22)
	1,277	1,248

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2024

15 Pension Schemes - Kent County Council Pension Fund ("Scheme") (continued)

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

	2024 £'000	2023 £'000
Debt Instruments	363	284
Equity Instruments	799	839
Property	115	125
	<u>1,277</u>	<u>1,248</u>

Reconciliation of opening and closing balances of defined benefit obligation

	2024 £'000	2023 £'000
Opening defined benefit obligation	1,266	1,760
Current service cost	10	14
Interest cost	60	45
Actuarial losses / (gains)	(21)	(524)
Benefits paid and expenses	(33)	(31)
Other	2	2
Closing defined benefit obligation	<u>1,284</u>	<u>1,266</u>

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

	2024 £'000	2023 £'000
Current service cost	10	14
Net interest expense	-	13
Other costs and income	1	1
Defined benefit costs recognised in the SOFA	<u>11</u>	<u>28</u>

Amounts taken to other comprehensive income

	2024 £'000	2023 £'000
Return on scheme assets excluding interest income	(13)	(15)
Actuarial changes related to obligations	21	534
Other gains and losses	-	-
	<u>8</u>	<u>519</u>

16a Analysis of net assets between funds (current year)

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,249	-	-	1,249
Net current assets/(liabilities)	651	-	30	681
Long term liabilities	(23)	-	-	(23)
Defined benefit pension provision	-	(7)	-	(7)
	<u>1,877</u>	<u>(7)</u>	<u>30</u>	<u>1,900</u>

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16b Analysis of net assets between funds (prior year)

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,273	-	-	1,273
Net current assets/(liabilities)	567	-	30	597
Long term liabilities	(36)	-	-	(36)
Defined benefit pension provision	-	(18)	-	(18)
	<u>1,804</u>	<u>(18)</u>	<u>30</u>	<u>1,816</u>

17a Movements in funds (current year)

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	At 1 April 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2024 £'000
Restricted Funds:					
Move on fund	30	-	-	-	30
Total restricted funds	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
General funds	1,263	2,069	(1,996)	-	1,336
Pension reserve	(18)	11	-	-	(7)
Revaluation reserve	444	-	-	-	444
Designated funds					
Development fund	25	-	-	-	25
Counselling	7	-	-	-	7
Legacy	39	-	-	-	39
Major repairs					
Sinking fund	26	-	-	-	26
Total designated funds	<u>97</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97</u>
Total funds including pension fund	<u>1,816</u>	<u>2,080</u>	<u>(1,996)</u>	<u>-</u>	<u>1,900</u>

Purposes of restricted funds

Move on fund

This fund is used to provide support to residents who are moving on from our service. This can be a contribution towards a deposit or for white goods.

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17a Movements in funds (current year) (continued)

Development fund

Trustees agree to hold a designated development fund to finance developments within the business plan in terms of the structure and resources of the organisation and any increase or change in services provided. In 2019/20 we incurred costs to cover external support on organisational development (including all client policies being reviewed), to help embed our Trauma Informed and Psychologically Informed Environment approach. Funds were also expended on a pension (defined benefit pension liability) and strategy review. We hope it will also help us to adapt to survive in the changing funding environment and improve our service provision for clients. The fund will be available for qualifying developing business needs in 2024/25.

Counselling

Development of added value services for clients such as counselling, anger management support, restorative justice and life and work-related skills. We have further counselling service planned across services during 2024/25.

Legacy

We received a very welcome but unexpected legacy of £50,000 in December 2017. We were given a name, but no other details as regards the donor. The trustees agreed that the funds be used for the direct benefit of clients, towards client related services, such as Education and Welfare. This might be for short courses, study or work equipment, travel to see relatives or basic toiletries or clothes.

Major repairs sinking fund

This fund is used for major works and decoration required at our properties. We have some works planned and will assess need across other services during 2024/25.

17b Movements in funds (prior year)

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
Restricted Funds:					
Move on fund	30	-	-	-	30
Total restricted funds	30	-	-	-	30
General funds	1,181	1,922	(1,865)	24	1,263
Pension reserve	(523)	519	-	(14)	(18)
Revaluation reserve	444	-	-	-	444
Designated funds					
Development fund	25	-	-	-	25
Counselling	7	-	-	-	7
Legacy	39	-	-	-	39
Major repairs Sinking fund	37	-	-	(10)	26
Total designated funds	108	-	-	(10)	97
Total funds including pension fund	1,240	2,441	(1,865)	-	1,816

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18 Analysis of changes in net debt

	At 1 April 2023 £'000	Cash flows £'000	At 31 March 2024 £'000
Cash at bank and in hand	736	(95)	641
Loans falling due within one year	(15)	-	(15)
Loans falling due after more than one year	(36)	13	(23)
	<u>685</u>	<u>(82)</u>	<u>603</u>

19 Operating lease commitments receivable as a lessor

Amounts receivable by the charity under non-cancellable operating leases for property are as follows for each of the following periods

	2024 £'000	2023 £'000
Less than one year	10	-
One to five years	3	-
	<u>13</u>	<u>-</u>

20 Operating lease commitments receivable as a lessee

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

	2024 £'000	2023 £'000
Less than one year	242	209
One to five years	132	23
Over five years	31	37
	<u>405</u>	<u>269</u>

21 Guarantees and ultimate parent undertaking

Pathways to Independence, trading as SIG Pathways, is a company limited by guarantee not having a share capital. Social Interest Group became the sole member of Pathways to Independence on the 19 January 2021. Each member has guaranteed to pay £1 in the event that Pathways to Independence was wound up. Social Interest Group is the ultimate parent undertaking. Its charity registered number is 158402. Its company registered number is 9122052. Its registered office is: 1 Waterloo Gardens, Milner Square, London N1 1TY.