



**Social  
Interest  
Group**

# **Trustees' Report & Consolidated Financial Statements**

**Year ended 31 March 2021**

Charity registered number 1158402  
Company registration number 9122052



SIG Investments

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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 8<sup>th</sup> of July 2014. It became a charity registered with the Charity Commission on the 1<sup>st</sup> of September 2014. It changed its name to the Social Interest Group on the 1<sup>st</sup> 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 15<sup>th</sup> of December 2015. The Social Interest Group (SIG) is referred to as the Charity throughout this document. SIG is a charity that provides social and health care services and support for people who have complex needs and chaotic lives through its subsidiaries. Often these same people live with trauma, mental ill-health, personality disorders, substance and or alcohol misuse and may have been rough sleeping, homeless or in the criminal justice system. SIG provides strategic direction, good governance, risk management and back-office support to enable subsidiaries to run quality services, reduce their overheads, develop best practice training, audit and compliance monitoring, and share knowledge and skills.

### 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

**Trustees:**

Rami Bibi and Dylan Kerr

**Chairman, SIG Investments**

Stuart Jenkin

**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

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**Auditor**

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**Bankers**

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SW15 6AB

**DWF LLP**

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Manchester  
M3 3AA

Company registration number **9122052**

Charity registration number **1158402**

[www.socialinterestgroup.org.uk](http://www.socialinterestgroup.org.uk)

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The trustees present their report and the audited financial statements for the year ended 31<sup>st</sup> of March 2021.

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.

### Activities

The Charity's role is to provide governance, strategic guidance, risk management and safeguarding of vulnerable people, and back-office support to promote and improve the efficiency and effectiveness of its subsidiaries, including professional standards and quality, audit and compliance, marketing and communications, business development and access to investment to promote and improve the efficiency and effectiveness of its subsidiaries, enabling them to fulfil their objectives. The services provided by the Charity subsidiaries are as far-reaching as their Service User profile.

### 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 converted to be a company limited by guarantee, registered with the Charity Commission and changed its name to Penrose Options on the 28th of March 2013. It now trades as Penrose and joined the Group on the 1st of October 2014. Penrose provides practical social support and health care services for people who may be vulnerable because of their social and health care needs. People struggling with day-to-day living, mental illness, personality disorders, trauma, substance and alcohol issues, homelessness, offending backgrounds, or facing challenges in daily life or need support to overcome difficulties because of their complex, chaotic life. Penrose also provides very specialist rehabilitation, technical and therapeutic support that aids recovery, reduces offending and changes behaviour. Penrose specialises in working with people who have been excluded from other services as they present personal or public safety risks. Penrose currently operates across London, Bedfordshire and Luton and has the ambition to grow.

## **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 now trades as Equinox and joined the Group on the 1st October 2014. Equinox provides individually tailored support, health care and recovery for people whose behaviours and trauma, mental ill-health, substance and alcohol issues, homelessness, forensic history, or any combination of these issues have prevented them from living fulfilled lives. Equinox's expertise is in supporting people excluded from other services due to their substance and alcohol misuse. The heart and soul of Equinox are providing hope without exclusion to all those who come to them. Equinox currently operates across London and in Brighton and has the ambition to grow.

## **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 Investments**

SIG Investments (SIGI) was incorporated on the 16th of December 2015, registered with the Charity Commission on the 28th April 2016 and commenced trading on the 1st of October 2016. Its purpose is to hold the Group's property portfolio and loan book. The Company is currently seeking to become registered with the Regulator for Social Housing. The Charity has one freehold property and four leasehold properties (2 Penrose, 2 Equinox).

## **Pathways to Independence**

Pathways to Independence (PTI) was incorporated on the 26th of October 1984, registered with the Charity Commission on the 25th of September 1985. PTI was the result of a merger between Hope (Kent) Limited and Medway Cyrenians in 2013. PTI provides supported housing for vulnerable, single homeless people who have additional support needs in Kent and Medway. Their goal is to help people move beyond homelessness by providing opportunities, skills and resilience to become self-reliant and self-supporting. PTI joined the Group on 20th of January 2021.

## Chief Executive's Statement

### A Changing Landscape

As I look back on 2020/21, I am thankful that all our services continued to deliver services throughout the Pandemic, thanks to our caring and dedicated staff. We were fortunate that due to the early move to our strategic pandemic business plan and our infection controls, we stayed open and had no deaths in service due to the Pandemic and minimal Service Users and staff sickness.

The Pandemic has affected and changed the landscape of the health and social care needs across the UK and us as voluntary sector providers. Many more people were forced into poverty. There has been a dramatic increase in mental ill-health, creating greater demands on NHS hospitals and community teams and longer waiting times for treatment. And a societal change, with increased misuse of substances and alcohol and people suffering from poor mental health and wellbeing, creating a massive demand for our services.

The Pandemic affected everyone differently, but importantly, it made people more willing to talk openly about their mental health concerns. With 1 in 4 adults predicted to experience a common mental disorder, and 10% will experience depression in their lifetime, we are more than ready to take this opportunity to get involved in the conversation and encourage those stepping forward wanting support to keep mentally and physically well.

Rough sleeping and homelessness had seen a positive Government response during the Pandemic. With hotels secured for rough sleepers to move them off the streets, we hope to see a new legacy for the future. We are proud that we could respond to the needs of rough sleepers and homeless people in London who had COVID19 - offering them a safe place to stay and recuperate away from the streets. Our staff galvanised into action and received specialist training from Guys and St Thomas hospital to safely nurse people back to health, freeing up much-needed hospital beds.

### Pathways to Independence

We created SIG in October 2014 as a direct response to:

- The increased demands of legislative duties that are required when running a business and a charity.
- Pressing demands on the need to market and demonstrate impact.
- The continual need to develop during a time the sector faced huge cuts in funding.

SIG's main aim is to ensure good services remain open at appoint of need for people with complex social and health care needs. To do this, we offer other medium and small charities to join the Group and keep their identities and own charitable aims and objectives. During the Pandemic, fundraising and grant-giving massively reduced and, in some places, stopped altogether, putting many charities at risk of closing, and many disappeared. Thankfully, Pathways to Independence (PTI) contacted SIG to ask if it could help them as they struggled to maintain their services and had lost contracts when local commissioning changed.

PTI is a small local charity in Kent. It provides residential accommodation and support for offenders leaving prison, rough sleepers and people with complex mental health, substance and alcohol misuse issues who are rough sleeping and homeless. After carrying out due diligence on both sides, PTI joined SIG in January 2021. In the first few months, we were able to learn from each other and develop protocols. We also supported them with their long term strategy and managed to get them some more funding.

### Criminal Justice Services

The report on our outcomes from the MOJ Data lab in 2020 showed that people leaving prison were less likely to reoffend if supported by Penrose. Our work within prisons and in the community reflects recent studies that show that recidivism from people leaving prison is highest where alcohol or substance misuse is involved. More so, where comorbidities include mental illness - meaning our services will continue to be in high demand. Much of this year was preparing for the return of our CRC contract to probation. This return happens in June 2021 following the decision made by the central Government. We reviewed the best parts of our delivery model. We developed unique programs and ways to target people in the criminal justice

service most likely to reoffend, enabling us to continue to deliver services in the new criminal justice frameworks.

## Staffing

Whilst staff retention rates are good within the Group, there are recruitment issues in the sector, with over 100,000 support worker vacancies per week across the UK. Staff retention will become increasingly difficult as organisations compete to hire and retain the best staff. We have dedicated time to ensure that working at SIG is a rewarding experience personally and professionally by offering more growth and development opportunities. Everyone within SIG is focused and committed to:

- Keeping the Service User at the heart of everything we do by living our culture, purpose and values daily.
- Securing our long-term financial stability through contract retention, growth and diversifying income.
- Continue improving and enhancing the quality and performance of our services.
- Growing and extending our impact to our Service Users and society.
- Influencing positive social change on a broader scale.

We will do this by:

- Rolling out the work we do within the criminal justice arena and develop opportunities with partners in rough sleeping, homelessness, complex needs, prison leavers, prevention and early intervention.
- Finding ways to take the pressure of the NHS in the areas of mental illness, personality disorder, substance and alcohol misuse.
- Support development of local authorities' solutions for homeless people, rough sleepers, women specialist services, and people stepping down or failing in other supported housing and housing pathways, especially for those with high complex needs and living with trauma.
- Developing better employment pathways for our staff, experts by experience and encouraging new entrants into the fields of support and care work.
- Creating a formal volunteering and peer network throughout the Group.
- Having applied to register SIG Investments with the Regulator of Social Housing, we will develop our long-term housing strategy and look for funding partners and developers to create housing opportunities for our participants and residents.
- Maximising our income by attracting independent funding and funding packages to take the burden away from overstretched public funding.

In closing, I want to thank all staff for the hard work and commitment they show every day to fulfil our charity mission and achieve the best possible outcomes for the people we support. We have everything we need to make these next coming years even more successful than the last, and I can't wait to see what the future holds for us all.



**Gill Arukpe, Group Chief Executive**

**8<sup>TH</sup> December 2021**

# Strategic Report

## Impact Strategy

Although the Pandemic has delayed the implementation of our Impact Strategy, we were able to demonstrate some impressive research and outcomes across the Social Interest Group (SIG) including, our Justice Data Lab reoffending results and Ndani criminal justice programme pilot interim study (both are covered in our significant events section under Penrose).

In 20/21 the SIG supported 14,033 people across 16 different services.

KPI	TARGET	ACTUAL
% Positive move-ons	>85%	85.1%
% unplanned return to hospital	<3%	0.3%
% convicted of new offence	<3%	0%
% unplanned return to prison	<3%	0.3%

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

Total departures	1,512
Positive move-ons	1,287
Total clients seen	4,362
Unplanned returns to hospital	14
Convicted of a new offence	1
Unplanned return to prison	12

## Rising to the Challenges of Covid-19

### Recruitment

As we moved towards lockdown, we prioritised recruiting Bank/Relief staff anticipating staff shortages. Our Operations Teams and People and Culture Teams worked together to set up a system to recruit people outside our sector who had been furloughed or made redundant and had transferable skills. The response was significantly higher throughout March than any previous recruitment campaign, with over 1,000 CVs submitted. To help us shortlist, we invited all applicants to complete an online psychometric test that scores emotional stability and intelligence, diligence, resilience and empathy. We benchmarked this against qualities and attitudes required for a generic Healthcare Worker. We scored completed assessments and shortlisted over 100 applicants within two weeks, with a target of 50 new Bank Staff recruited by May. Across our Lewisham Mental Health Services, we combined resources to minimise staff shortages, reducing the need to bring in bank or agency staff.

### Staff Wellbeing and Engagement

We provided laptops and mobile phones for staff to work from home and connect to the server securely. Welfare check to services included day and night staff check-in calls, virtual meetings, and all staff webinars and staff intranet as ways to keep employees engaged. As part of the daily calls, the Executive Management Team (EMT) reviewed Government announcements from the day before and sent daily emails to staff and managers informing them of critical updates and actions required. We devoted a section of the staff intranet home page to COVID-19, where emails are also saved, alongside updated guidance from Public Health England. We promoted the stress App under our MediCash private health care provider and other applications, including Headspace, MIND's website and shared advice and tips on maintaining mental health. We also introduced Mental Health Champions and Happier Coaches alongside virtual interactive group sessions to maintain engagement and human connection focusing on wellbeing. We had 109 employees off due to COVID symptoms and 1,682.5 staff days absent due to Covid.



## **PPE Supply and Support from Commissioners**

The EMT chaired weekly all staff webinars via MS Teams, giving staff across the organisation an opportunity to ask questions and share any concerns. The most pressing matter for operational teams was supply levels of PPE. We introduced a monitoring tool across the SIG operation to track PPE usage across each service to ensure central services sourced and distributed supplies promptly. A strong relationship with local Commissioning teams provided a healthy, regular supply of PPE equipment for some services. Many accessed additional support for Service Users via individual Council's Covid response services and funding. Our Brighton Services received regular updates from their local commissioning team, who supported them with early testing, setting up a specific Covid+ hostel and running online training.

## **Adapting our Criminal Justice Service Delivery Model**

We adapted our custodial and community criminal justice services. Our responsible officers predominantly worked from home providing telephone supervision in the community, although they still attend CRC offices to conduct initial appointments for clients just released from custody. We paused progress on the service's delivery of rehabilitative programmes and interventions until the government lifted restrictions. In response to government measures introduced to address overcrowding and the heightened risk of infection, we transformed our delivery model in prisons. HMP Wandsworth had the highest number of confirmed cases in the country, whilst HMP Belmarsh experienced the first Covid-19 related death. At Pentonville, two of the prison's staff passed away, one of whom had a close relationship with our team.

Our teams remained courageous and passionate in supporting people within the prisons and through the gate into the community. On 23rd March, following HMPPS guidelines, we stopped face to face assessments and, with consent, moved into the Exceptional Delivery Model phase 2 (EDM II). We developed resettlement packs, self-assessment questionnaires, a support hotline and direct in-cell phone assessments. The newly implemented Departure Lounges provided extra support through the gate for all those needing help on the day of release. It has proven successful in securing accommodation and setting up Universal Credit for vulnerable people leaving. We also provided a telephone resettlement service for clients leaving custody under the government's early release scheme.

## **Adapting our Residential Services**

With care homes seeing the most significant increases in infection rates and deaths across the country, our staff teams within our residential services had to rethink everything and redesign services around Covid. Many of our Resident and Service User activities had to reduce across our services. Before the Pandemic, residents could enter and leave services freely. Now, they faced restrictions, having to stay indoors and not see their families or support network. Communal mealtimes and activities had to stop. One of the team's biggest challenges was getting a structure in place and meaningful activity to take residents away from the boredom of daily isolation.

Staff had to implement new operating procedures quickly and think creatively. Running such complex services meant added pressures to get residents to understand and follow directions and social distancing to help keep them safe and protected. They had more barriers to consider and work around as they doubled up on PPE, wearing masks, shields, aprons and gloves. Knowing residents well, they prepared them mentally for the changes ahead and designed them to help minimise their anxiety. They considered every detail - big and small, to protect residents and keep them safe. Staff had to explain changes daily, multiple times, so residents didn't feel intimidated, especially when medicated; it can be confusing. Despite this, our teams overcame the physical barriers of PPE through human and personal touches to ensure positive engagements with residents to support the changes and work in harmony to protect each other. All our staff team's efforts ensured that 100% of SIG services remained open and Covid-free.

## **Client Transformations**

### **Michael's Story**

Michael has made fantastic progress during his time in our Hammersmith and Fulham Service. He initially came to live at the service in May 2020 and worked closely with staff and Turning Point. He has a history of drug use, specifically crystal meth. His drug use was fed by acquaintances, especially his ex-partner, a relationship involving heavy drug use, partying, and physical abuse. Although this relationship came to an end, it took time for Michael to change his lifestyle. Michael started taking online courses during the lockdown, alongside focusing on his physical health. Before the third lockdown, he went to the gym, and when this stopped, he began running. Michael has been going on runs in the mornings and continues to lead a healthy lifestyle. He takes advantage of the donated food deliveries and mentions that he uses fruit and vegetables to make healthy drinks. He has always shown an artistic side, decorating and creating furniture in his flat. He has been using YouTube videos and collecting materials as canvases to draw on. He is now ready to move on, has accepted a flat, and is waiting to pick up his flat keys. Additionally, he has secured a part-time job in hospitality, working below 16 hours per week and volunteering. Michael has shown tremendous potential during his time with us and is succeeding and meeting his goals.

### **James's Story**

James entered our low to medium support Newlyn Court project in July 2018 as a referral by the Community Rehabilitation Company (CRC) whilst homeless and spent time in custody and on community orders. James has struggled with an addiction to heroin for 14 years. He moved away from his family home aged 15. He surrounded himself with associates who held pro-criminal attitudes and who also struggled with addiction. Rough sleeping exacerbated this lifestyle, and he became reliant on services like the local day centre for support, food and social interaction. James had additional support needs; all his adult life was spent homeless with poor money management leading to debt and an acknowledged struggle to take responsibility for himself and his actions. After years of drug use, he compromised his health and contracted Hep C. James had never prioritised treatment due to homelessness and recovery from addiction. James struggled with his mental health and emotional wellbeing during his time with us, and he was diagnosed and medicated for anxiety and depression. He experienced suicidal thoughts.

James accepted support from staff and engaged well with primary healthcare services during times of crisis. He has drawn strength from the peer support he finds in Cocaine Anonymous meetings, having a sponsor, studying the 'big book' and talking with others who share his experiences and can offer him support. He recently completed 90 meetings in 90 days, has spoken publicly and applied to volunteer back at the day centre, which once was a trigger point for him. James is on a reduction programme and plans to spend a short time detoxing to wean himself off completely. He is now self-sufficient in most areas of his life, manages his accommodation well and is now in one of our self-contained units in Tumim House as a stepping stone to complete independence. James can budget effectively, has no debt, and has better relationships with family, which he cherishes, and he is looking forward to a family wedding this year. He has worked hard, and even though he sometimes still has 'drug thoughts', he has learnt from experience not to let his guard down and renew his commitment to support networks and communicate openly with his Support Coach and the Probation Service.

## **Our Focus**

### **Equality Diversity and Inclusion**

As part of our strategic objective to make society a more equitable place, we appointed an Equality, Diversity and Inclusion Manager to develop our EDI Strategy and Programme by April 2022. One of the main objectives of the EDI Programme is to recruit Ambassadors across our staff service teams to support the development of transparent models of career development and models of best practice, offering demographic-sensitive services to our residents and programme participants. During the next year, our EDI program will utilise the life experiences of our participants and Service Users as experts to influence and develop responses on how mental health and social care can be delivered to enable them better to access treatment early.

### **Women and Safety**

SIG takes the safeguarding of all staff, participants and residents (Service Users) seriously. Enhancing our measures related to the safeguarding of women has been a priority. We adapted some of our programs for women-only. We introduced a specialist women's support worker role and new projects to support women affected by violence and exploitation, including trauma-informed support. Our Brighton Service and the Offender Personality Disorder are specialist women's services. In these services, we have created and will continue to develop specific programs and ways of working to improve the lives of women who have been traumatised earlier in their lives and have survived much mental and physical abuse.

### **Reflective Practice**

Reflective Practice is an essential component of creating Psychologically Informed Environments (PIE). It provides a safe place for staff to share best practices and reflect on the emotional impact of our work, facilitated by external facilitators. One of the challenges we faced during the COVID pandemic was maintaining Reflective Practice sessions for our frontline staff, which we did, using video conferencing.

### **Quality Handbook**

Our staff and Service Users developed our digital Quality Handbook through a series of reflective workshops identifying and gathering best practices across the SIG Group. The Handbook is a best practice guide and a learning resource, showcasing the excellent work in our services to help us learn from each other and continue to improve the quality of the services we deliver. Each section of the Handbook includes top tips, guidance, and real-world examples of best practices across the Group's services.

### **PIE Project Board**

We introduced the Psychologically Informed Environments (PIE) Project Board to embed PIE across SIG. The board's role is to promote the SIG's EDI programme and values of ambition, empowerment, transparency and inclusivity through the implementation of PIE. Members of the PIE Project Board are representatives across the whole of SIG, including Participants and Residents, volunteers and staff. We aim to have a changing membership who will be champions of PIE and lead in creating happier, healthier environments where Participants and Residents develop their full potential and staff feel supported and skilled to provide the best possible support and care.

### **Participant and Resident Involvement**

The Participant and Resident Council represent the voices of the people we care for across SIG. At a formal meeting, they chose to be called the Participant and Resident Involvement Group. Due to the pandemic, meetings moved online, which gave the advantage of becoming more accessible to representatives from services across and outside London. The group completed and submitted a collective response to the Government's consultation on proposed changes to the Mental Health Act.

## **Disability Confident**

We became a disability confident level, 1 employer, in June. We are now a disability accredited employer registered and certified. Being recognised as a Disability Confident organisation, we take a leading role in changing attitudes for the better. We aim to lead changing behaviours and cultures within the Group, external networks and communities where possible and reap the benefits of inclusive recruitment practices. We aim to ensure 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.

## **CHAS Accreditation**

In September, we received our CHAS (The Contractors Health and Safety Assessment Scheme) accreditation, demonstrating compliance with UK health and safety legislation. This applies to the SIG and all its members as the assessment was group-wide. In addition to evidencing that the Group has and implements a robust Health and Safety Management System, we evidenced compliance with government advice on working safely during the Covid-19 pandemic.

## **Property Strategy**

As part of our SIGI registration with the Regulator of Social Housing, we produced a new set of standards and policies around our residential services and tenant support, including:

- Compliance with the Rent Standard approved
- Approval for SIG Investments to adopt The National Housing Federation Governance Code

## **Environment**

SIG aims to be 100% renewable by developing Waste Management and Sustainability targets. To put this into practice and align with the Government's sustainable development strategy, we will continue developing, implementing, and maintaining our plan to set sustainability objectives, targets, and indicators.

## **Social Impact and Value**

Work started in January to develop our strategic Theory of Change. This consisted of several workshops, including developing a measurement framework defining our core outcomes to measure our social impact as an organisation. Outcomes include a mixed approach incorporating some SIG-wide academically validated scales measuring wellbeing and resilience, alongside specialist pieces of work assessing return on investment and longitudinal impact.

## **ICT Strategy**

This year we upgraded our cyber essentials to guarantee as far as possible that our ICT system is safe - especially in the securing of data. We invested in Cyber Essentials Accreditation and Microsoft PowerBI so all our systems can speak to each other and report more accurate and timely outcomes.

## **People and Culture**

We centralised the recruitment and onboarding process across the Group. We moved online, including an online application option, online psychometric testing and virtual meetings for new starters to show their DBS and right to work documents in line with government guidelines. We reduced agency staff spending and introduced a new process for booking agency staff and an Additional Hours Policy. We rolled out the Benni Benefit Platform to all staff. Learning and Development assigned over 800 courses to employees and implemented a Management Development Programme alongside recruitment of a Training and Development lead as part of the learning culture.

## Financial Review 2020/21

The charity recovers the costs of the services that it provides to its subsidiary undertakings making neither a surplus nor deficit. The Group had net unrestricted outgoing resources for the year of £1,085k (2019/20 - £101k). Unrestricted reserves stand at £1,881k at 31st March 2021 (2019/20 - £796k) with £34k in restricted reserves and a liability of £32,900k (2019/20 - £846k) in the pension reserve for past service deficits, in Penrose £875k (2019/20 - £326k, Equinox £2,025k (2019/20 - £520k) and Pathways £577k (2019/20 - £578k).

Penrose made a surplus of £111k (2019/20 - £288k) at the operating profit level before a past service deficit pension payment of £137k (2019/20 - £110k). This results in an unrestricted fund balance of £1,715k (2019/20 - £1,741k) at 31st March 2021. In addition, it had a restricted fund balance of £3k (2019/20 - £3k).

Equinox made a surplus of £143k (2019/20 - £148k deficit) at the operating profit level before a past service deficit pension payment of £160k (2019/20 - £290k). This resulted in an unrestricted fund balance in deficit £1,282k (2019/20 - deficit £1,265k). In addition, it had a restricted fund balance of £1k (2019/20 - £1k) after receipts of £139k (2019/20 - £340k) and expenditure of £139k (2019/20 - £340k).

Pathways made a surplus of £61k (2019/20 – deficit of £64k), before adjustments for the actuarial losses on the defined benefit pension scheme.

Following the merger of Pathways into the Social Interest Group, a fair value review of the assets and liabilities was undertaken. This resulted in a revaluation gain of £72,901 in tangible fixed assets. The actuarial gains on defined benefit pension schemes in the year was £1,000 (2019/20 – losses of £283,000), the final year end position was an increase in total funds to £1,170,926 from £1,035,777. Unrestricted funds increased to £1,140,785 from £1,035,777, whilst restricted funds increased by £30,141 from Nil.

At the end of the financial period, the charity had unrestricted general reserves of £204k (2019/20 - £244k). This results from a deficit of £40k achieved during the period ended 31st March 2021.

Milner Gibson did not trade during the year.

SIG Investments made a surplus of £9k (2019/20£ - £20k) 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 Service User commits a serious act and that there is class A and/or B drug use by a Service User 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 Service Users, 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 Service Users 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 £978k (19/20 - £598k), 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

We want to build on the strong foundations we have created that has seen us continue to grow. We want to increase the number of people we support and the organisation's long term financial stability. To do this, we need the best people to come and work for us. We will be implementing a staff personal development pathway during the year ahead and looking at ways to reward, so they choose to stay with us. We will be developing our apprenticeship and training for entry-level to encourage people to come and work in the sector and partner with other providers who wish to do the same. We will also try and influence key decision-makers for better wages for the people who work in our sector.

Our main objective for the next three years is to continue to offer services for people who have the highest social and health care needs. People whose complex lives and traumatised life experiences would benefit from our specialist support. We will continue to fill gaps and alleviate the strain on our over pressed NHS services and Local Authorities to deliver community-based responses that relieve pressure by providing the best charitable services. We will look to support other small and medium-sized charities who wish to join us and partner so we can deliver more local responses.

Key to the Group's long-term financial sustainability is the role of our Group-wide property strategy. We hope to be registered with the Regulator of Social Housing by the end of the calendar year 2021. This registration will go a long way to support this strategy.

This annual report shows how far we have come, but also where we aim to be.

Planning for growth can be a daunting task in this climate. Still, we know the amazing work achieved across SIG. We have read the service reports, listened to staff and Service Users, and seen the positive outcomes for people, and this gives us the confidence to be bold in our aspirations because we know we can achieve them.

We have won new contracts, invested in new staff and begun diversifying our funding streams to enable fundraising to be a part of our income generation. We've also broadened our social media and online presence, raised Service User involvement, started working on understanding and quantifying our social value and invested in more staff training. It is an exciting time for us.

The people who arrive at our services are some of the most complex and vulnerable people within our society; we can't change their past, but we can support and empower them to change their future. We achieve this through our professional staff teams' dedication and perseverance, who work tirelessly to deliver the best possible outcomes for people and keep the Service User at the centre of everything we do.

## Penrose Options

In 20/21 we supported 12,624 people across 16 different services.

Across Penrose residential services, we supported 1,559 Service Users during FY2020-21. Over 85% of move-on in FY2020-21 were positive, including transferring into independent living and step-down accommodation. Less than 1% of our Service Users experienced returns to prison or unplanned returns to hospital during their time in our care.

KPI	TARGET	ACTUAL
% Positive move-ons	>85%	85.8%
% unplanned return to hospital	<3%	0.4%
% convicted of new offence	<3%	0%
% unplanned return to prison	<3%	0.4%

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

Total departures		1,088
Positive move-ons		933
Total clients seen		2,953
Unplanned returns to hospital		11
Convicted of a new offence		0
Unplanned return to prison		11

### Luton Residential Services

- 411 key work sessions delivered
- 871 individual life-skill sessions delivered
- 235 group activities delivered

### Luton Floating Support Services

- 4,279 people supported through accommodation, tenancy sustainment, advice and signposting, including welfare benefits.
- 728 completed support packages
- 98.8 % of clients successfully maintained their accommodation
- 98.8% of clients feel they have more choice and control
- 59.3% of clients supported were from BME communities, ensuring we overachieved our BME client representation for the year by 20%.

## Significant Events

### Ndani Programme Pilot Interim Study

In 2019, the London CRC commissioned Penrose to design and deliver a group intervention programme for male Service Users aged 26 years and above with low-level emotional wellbeing needs. Those subject to either a rehabilitative activity requirement, under a community or suspended sentence order, or license conditions would be eligible. We piloted the Ndani Programme for one year. After a somewhat protracted period of contract mobilisation, we filled vital roles, and the COVID-19 pandemic began to raise operational challenges. The Ndani Programme went live in July 2020. Ndani is a flexible programme that can be delivered anywhere to up to eight participants.



## **Offender Personality Disorder Housing and Support Service (OPD HASS)**

A year into our Offender Personality Disorder Housing and Support Service (OPD HASS), we achieved some positive outcomes through the partnerships we have developed. We recalled only five of the 38 (13%) Service Users we worked with during the year, which is very positive considering the cohort's entrenched patterns of offending behaviour and the probation officers' reluctance not to recall, given the high-risk levels. The Service Users have developed life skills and coping mechanisms that will further support their reintegration, and we look forward to building on our achievements next year.

## **CJS Departure Lounges**

In April 2020, in response to the pandemic and the impact of lockdowns on resettlement services, the Ministry of Justice launched a Departure Lounge Initiative to provide additional support to prisoners on the day of release. Penrose was responsible for opening the first departure lounges in London at HMP Wandsworth and HMP Brixton, closely followed by a further two at Pentonville and Belmarsh. Here prisoners could access emergency support from our team of resettlement workers, were assisted with probation, housing, mental health and other key appointments, including setting up Universal Credit for vulnerable people and issuing mobile phones and, in some cases, a change of clothing. Essential to the service was supporting prisoners to understand the changes to accessing community services with covid-19 restrictions. The Departure Lounges ran throughout FY2020-21 across our four prisons and were exceptionally well received. Over the course of the year, over 3,000 prisoners accessed the service.

## **Women's Floating Support**

We secured a grant from the Bedfordshire Police and Crime Commissioner to cover referrals for the Sexual Assault Referral Centre (SARC) over a three-month period. We provided a dedicated Women's Specialist Floating Support Worker to coordinate wraparound support to vulnerable women. During this time we provided 39 support interventions.

## **Ministry of Justice Data Lab Report**

In September 2020, the Ministry of Justice's Justice Data Lab finally published their report evaluating the impact of Penrose's (Community) Post Sentence Supervision Service on reoffending rates in London. The results were positive, showing a lower one-year proven reoffending rate and lowered reoffending frequency than a matched comparison group. 19% of the treatment group reoffended in the year following release from prison - significantly fewer than the comparison group at 3%. Few voluntary sector organisations can demonstrate reductions in reoffending statistically robustly. We will include it in our growing evidence base to support our bids for the MoJ Dynamic Framework contracts, which will partially replace our current CRC work in the summer of 2021. The full report can be accessed in the appendices section of this document.

## **Roots to Recovery Pandemic Response**

During the pandemic, Roots to Recovery was the only Luton-based project where local people could experience real human and social interaction due to our large outdoor spaces. We adapted our service during 2020 and 2021 to keep maximum engagements with our Roots members, volunteers, and community members and help them cope with the impact of Covid. We redeployed our volunteers across the programme to keep the community garden and engagement activities running to maintain our members' social connectedness at a safe distance.

We increased our vegetable growing spaces to produce 500KG of produce this year, 300KG of which we donated to local food banks and community kitchens delivering meals to 200 people in need across Luton's local community who were unable to leave their homes. We based two staff members at the local food bank to support the delivery of provisions and food parcels direct to the door of our Penrose Luton Service clients. The Roots team produced and distributed mental wellbeing packs to all Penrose Luton clients who needed mental stimulation whilst isolating, containing helpful tips and activities to keep them occupied. They made 200 welfare calls to Roots members and volunteers who were shielding. They gave over 5,000 volunteer hours during the pandemic through staff giving extra hours and regular volunteers and Roots members who

wanted to volunteer through the crisis. We gave the food we grew to the Sikh community, who cooked up 21,000 meals which we helped distribute to people in Luton who had lost their jobs or were in temporary accommodation as a direct result of the pandemic.

### **Mental Health Awareness Week**

Penrose Roots, observed Mental Health Awareness Week with their “lettuce be kind” campaign, which left lettuces with messages of support around Luton for people to pick up and take home. The initiative grew out of the need to observe Mental Health Awareness Week differently, taking the social distancing rules into account. The team had hosted ‘Walk and Talk’ (and cycling) in previous years, but that was impossible this year. The campaign began with staff and volunteers planting and nurturing 50 lettuce seeds to give to the local community.

By May, the team harvested the lettuces, made care labels and were ready to start, randomly placing lettuce plants across Luton; bus stops, parks and green spaces, doorsteps, and various residential streets. All carried the message – #lettucebekind – perhaps the Roots to kindness can start with yourself, be kind to this lettuce, and it will repay your kindness. The campaign was a huge success and had many tweets and messages from excited community members who found the lettuces and uploaded photos to their social media accounts. The campaign was mentioned on the BBC East Twitter live update, and the team talked about the campaign on BBC 3 counties radio.

### **Luton's Reimagining Mental Health**

Penrose Synergy was awarded £5,000 for two Support Workers to work with the pilot of Reimagining Mental Health in Luton. Reimagining Mental Health is a three-year transformation programme of mental health and wellbeing support for the people of Luton, founded on the principles of collaborative leadership and co-production. Luton is one of four areas in the UK to participate in a three-year Lottery-funded ‘Living Well UK’ transformation programme for mental wellbeing and support. The Luton programme has given partner organisations and people with experience of living with mental illness the opportunity to share their ideas about providing better mental health care for the people of Luton.

## Equinox Care

In 20/21 we supported 1,409 people across 11 different services.

Across Equinox residential services, we supported 678 Service Users during FY2020-21. Over 83% of move-on in FY2020-21 were positive, including transferring into independent living and step-down accommodation. Less than 1% of our Service Users 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%	0.1%
% 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 Service User that has left the service across the year.

Total departures		424
Positive move-ons		354
Total clients seen		1,409
Unplanned returns to hospital		3
Convicted of a new offence		1
Unplanned return to prison		1

## Significant Events

### Solace Centre Pandemic Response

The Solace Centre offers a unique community. During the early stages of the COVID pandemic, we had no choice but to close the Solace Centre according to Government guidelines, leaving 105 members with no access to face-to-face support and activities. Led by the Service Manager, the team worked together to develop a plan to run the centre in a virtual capacity. They regularly engaged with members, making two phone calls to every member every week, offering emotional and practical support and positive ways to make the best out of time at home.

These calls helped develop ongoing conversations where members shared feedback and opinions to help adapt activities and shape new ones during the lockdown. Wellbeing walks started, and seeds were sent to members to grow flowers. The team also published a monthly newsletter with input from Solace members, providing news, puzzles, quizzes and information on available support, which they shared with every member, local commissioners and community partners.

### Lewisham Outdoor Gym

In October 2020, our Lewisham service completed the installation of an outdoor gym. The idea came from staff and residents in response to the impacts of lockdown and the need to offer additional resources for residents' wellbeing and socialisation. We consulted residents on the type of equipment they wanted, and the service team worked with our Housing and Maintenance department to install the equipment within two months of the request. It has been extremely popular with Service Users, and we are analysing its impact on both wellbeing and incidents at the service.

## **Brook Drive Pandemic Response**

In partnership with Guys and St Thomas' Hospital, SIG Equinox joined the direct fight to help people recover from COVID-19. Equinox Brook Drive is a vital health service and the only third sector residential service of its kind in London. The service consists of 26 beds and is open 24 hours, 365 days a year, providing medically supervised alcohol and drug detoxification programmes for adults, saving many lives daily. When the pandemic hit, most community drug and alcohol services had to close and suspend all referrals. Brook Drive, therefore, had nursing capacity. The NHS were crying out for qualified nurses, and we have some brilliant ones.

We contacted NHS Guys and St Thomas' to see if we could assist them in the COVID-19 fight. In two weeks, we converted Brook Drive into a new stepdown hospital service to support Guys and St Thomas' Hospital and Kings College Hospital. We welcomed patients deemed medically fit for discharge but were homeless or vulnerable to help them get well - many frail and elderly, needing round the clock care. We put in the necessary arrangements for patients to safely return to home or into stable accommodation, allowing Guys and St Thomas' Hospital and Kings College Hospital to free up 347 more bed nights within their acute bed wards for Covid-19 patients.

## **Marron House Pandemic Response**

Our Marron House team encourages residents to engage in learning opportunities and outdoor physical activities. These conversations led to a discussion on mini-workouts. Thus, began Fitness Fridays, teaching low impact exercises by one of Marron House staff, a qualified fitness instructor and gives nutritional advice. Activities were designed to be easy to follow and recorded, and shared with other services across the SIG so all Service Users could participate. Some Service Users have gone from doing very little physical activity to now jogging. Marron House shared over 25 mini-workout sessions with SIG services during the pandemic.

# **New Business and Fundraising**

## **New Fundraising Department**

The SIG hasn't ventured into fundraising previously, but we decided it was the right time to take our first steps with the sector becoming more financially challenged. We brought in a consultant to lay down the groundwork and then recruited a Head of Fundraising and a part-time Assistant Fundraiser to take the work forward in helping diversify our income. The critical task for the new team was securing the Lottery Reaching Communities multi-year grant to fund the Penrose Roots project.

## **New Bid Team**

It was a challenging year as many local authorities did not release tenders due to the Pandemic. It was an excellent opportunity to consolidate what the department wanted to achieve in the later stages of 2020 and begin to build a new team that would be ready for when the tenders came out again. We recruited three new posts and inducted them into the Group. They made an immediate impact working on the MOJ dynamic frameworks achieving a 100% success rate. In early 2021, the team redefined our tendering processes and began winning their first piece of work for the Group.

The team won eleven tenders, including frameworks, from domiciliary care to detox and hostel provision:

## **HMPPS CFO Activity Hubs**

Reed in Partnership secured the contract to deliver the HMPPS CFO Activity Hubs in London. Penrose is their primary delivery partner to manage all services to women and men with more complex needs and provide new programmes to Service Users across the entire contract. Going live in March 2021, the Activity Hubs offer alternative provisions to people on criminal justice orders who struggle to engage with more mainstream interventions and support them towards employability and positive resettlement outcomes. There are two hubs in London (one in Croydon and one in Lewisham).

## **The Hub at HerStory House**

Penrose launched the Hub at HerStory House, partnering with a team of professionals, including Women in Prison (Bluebird), London Pathways Partnership, and Hestia Battersea Approved Premises. The service supports a gender-responsive, trauma-informed and practical pathway for women screened onto the OPD pathway in the London region. The Hub provides holistic activities, including arts and crafts, creative writing and cooking. We thank our hard-working volunteers and facilitators who facilitate these activities at HerStory House, which are open to everyone in the local community.

## **Enfield Rehabilitation Service**

This new care and rehabilitation service from Penrose for adults with complex mental health needs was rolled out as part of a multi-department mobilisation approach. It provides up to ten supported accommodation units for Service Users moving from complex care inpatient rehabilitation services and Acute Mental Health Wards. They may also have behaviours that prove challenging to services, including medication non-compliance. It works closely with the Mental Health Trust Community Rehabilitation.

A further 14 units provide move-on supported accommodation from the intensive support service and an alternative to existing residential care. The transition allows Service Users to enhance their life skills further and supports physical wellbeing and mentorship, including remote support and sessions utilising tablet devices. Alongside this technology, we supported the development and roll-out of the “Pivotell” system as a pilot for the local area, allowing individuals to self-medicate, which is being monitored digitally and sending reminders and prompts to all relevant parties.

## **Brent 24-Hour Support**

This new service from Equinox Care provides 24-hour support across multiple sites to people recovering from mental ill-health. This one-year project went live in April 2020 and is part of the ongoing NAIL (New Accommodation for Independent Living) initiative in Brent.

## **Ealing Floating Support**

Equinox Care pilot floating support service in Ealing went live in May 2020, providing “Synergy Style” housing-related floating support to the residents of Ealing, running until March 2021. It is part of a series of pilot projects and offers housing-related support to adults 18+ who are threatened with homelessness, regardless of priority need.

# **Communications**

## **Achieving a One Team Ethos**

Our staff intranet became a focal point for the communications team as the Group had never worked in isolation. The need to deliver vital information in a format that everyone could access was critical. We undertook a complete overhaul of our intranet, creating spaces dedicated to sharing covid information and areas for staff and Service Users to share personal stories, blogs, poems and artwork they were making. The intranet burst into life in a matter of weeks and brought the Group together in a way we hadn't expected; sentiments came flooding in from staff regarding how they had never felt so close to the centre and how they looked forward to the next blog or story.

## **Webinars**

The group had not hosted a webinar before, and the technology was new to us all. Our first webinar was not without technical challenges and ‘you’re on mute’ moments, but we got better with each attempt. Across the year, we ran webinars regularly and especially when changes to covid rules happened. Staff were able to access the EMT in a way they hadn't experienced before, and the information flowed freely in the sessions.

During the year, we also hosted our first webinar where Service Users from across the Group joined to discuss matters close to them and share their experiences of the support they receive with the SIG EMT.

## Social Media Review

This year, we focused on growing our social media presence and increasing our activity. We created new social media pages on Facebook and Instagram. We revamped our other platforms to showcase the work done at SIG so audiences could stay involved and updated on our events and campaigns.

PLATFORM	APRIL 2020 Followers	MARCH 2021 Followers
Facebook	0	707
Twitter	154	337
LinkedIn	362	1,001
Instagram	0	113

Key achievements over the year:

- Grew LinkedIn following by 176%
- Grew Twitter following by 118%
- Gained 707 Facebook followers

## Staff 'TEA & TALK'

SIG understands the pressures our teams are under to keep services, Service Users and staff safe, which only increased due to the prevalence of COVID-19, affecting their stress levels. We wanted to address this by promoting mental health and supporting staff by starting the conversation through a Tea & Talk Series - because mental health is as important as any other health issue. Tea & Talks support staff by providing a safe and acceptable space to share and tell their co-workers where they are struggling. It opened up the conversation on how they can best support each other to tackle common mental health challenges as anxiety and stress.

## New Website

We launched the new SIG Website, which combined the individual websites of the SIG subsidiaries into one vibrant site. It was a complicated task, but we used in-house talent to build the website from scratch and engaged staff and Service Users throughout the group to develop it as user-friendly as possible. A key factor was to provide information to stakeholders and be an engaging space for new and interested parties that follow links from our social media pages. The website has been popular and has grown in hits since its launch.

## Wellbeing Workouts

With the lockdown in full effect, we knew it was even more important for staff and Service Users to focus on their physical and mental wellbeing. One of our frontline support workers, a fully trained and qualified health and fitness coach, had been doing some workouts with their Service Users and offered to work with the communications team to film and share them across the SIG. The Service Users got onboard, and we developed a weekly series of simple but effective workout routines that could be done in a bedroom or outside within the exercise time windows allowed by the Government.

## Mergers and Acquisitions

Pathways to Independence (PTI) joined the charity on 19th January 2021. 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 9122052) 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 2. 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 Service Users. 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 service users 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 (2020: 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 8<sup>th</sup> December 2021 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 2021 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 2021 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

to specific assertions in the financial statements;

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

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

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

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

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

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

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

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

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

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

### Use of our report

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

*Buzzacott LLP*

22.12.2021

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Social Interest Group  
Statement of financial activities (incorporating an income and expenditure account)  
For the year ended 31 March 2021

	Note	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2020 Total £'000
<b>Income from:</b>									
Donations and legacies		20	–	–	20	11	–		11
Charitable activities		18,796	232	–	19,028	17,742	340		18,082
Other income		–	–	–	–	1	–	–	1
Acquisition of Pathways	21	1,085	–	–	1,085	–	–	–	–
<b>Total income</b>		<b>19,901</b>	<b>232</b>	<b>–</b>	<b>20,133</b>	<b>17,754</b>	<b>340</b>	<b>–</b>	<b>18,094</b>
<b>Expenditure on:</b>									
Charitable activities		(18,592)	(202)	–	(18,794)	(17,455)	(340)	–	(17,795)
<b>Total expenditure</b>	3a	<b>(18,592)</b>	<b>(202)</b>	<b>–</b>	<b>(18,794)</b>	<b>(17,455)</b>	<b>(340)</b>	<b>–</b>	<b>(17,795)</b>
<b>Net income / (expenditure) for the year</b>	4	<b>1,309</b>	<b>30</b>	<b>–</b>	<b>1,339</b>	<b>299</b>	<b>–</b>	<b>–</b>	<b>299</b>
Transfers between funds	16	(297)	–	297	–	(400)	–	400	–
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>1,012</b>	<b>30</b>	<b>297</b>	<b>1,339</b>	<b>(101)</b>	<b>–</b>	<b>400</b>	<b>299</b>
Actuarial gains/(losses) on defined benefit pension schemes	14	–	–	(2,351)	(2,351)	–	–	3,747	3,747
Gains /(losses) on revaluation of fixed assets	9	73	–	–	73	–	–	–	–
<b>Net movement in funds</b>		<b>1,085</b>	<b>30</b>	<b>(2,054)</b>	<b>(939)</b>	<b>(101)</b>	<b>–</b>	<b>4,147</b>	<b>4,046</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		796	4	(846)	(46)	897	4	(4,993)	(4,092)
<b>Total funds carried forward</b>	16	<b>1,881</b>	<b>34</b>	<b>(2,900)</b>	<b>(985)</b>	<b>796</b>	<b>4</b>	<b>(846)</b>	<b>(46)</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Social Interest Group  
Balance Sheet  
As at 31 March 2021

	Note	The Group		The Charity	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	9	1,586	198	95	63
Investments		–	–	20	20
Investment property	10	450	450	–	–
		<u>2,036</u>	<u>648</u>	<u>115</u>	<u>83</u>
<b>Current assets</b>					
Debtors: Amounts falling due within one year	12	2,006	2,107	575	1,789
Debtors: Amounts falling due after one year	12	–	–	1,805	–
Cash at bank and in hand		1,269	1,254	16	462
		<u>3,275</u>	<u>3,361</u>	<u>2,396</u>	<u>2,251</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(2,749)	(3,209)	(2,307)	(2,090)
<b>Net current assets / (liabilities)</b>		<u>526</u>	<u>152</u>	<u>89</u>	<u>161</u>
<b>Total Assets less current liabilities</b>		<u>2,562</u>	<u>800</u>	<u>204</u>	<u>244</u>
Creditors: amounts falling due after one year	14	(70)	–	–	–
<b>Net assets excluding pension liability</b>		<u>2,492</u>	<u>800</u>	<u>204</u>	<u>244</u>
Defined benefit pension scheme provision	15	(3,477)	(846)	–	–
<b>Total net (liabilities) / assets</b>		<u>(985)</u>	<u>(46)</u>	<u>204</u>	<u>244</u>
<b>The funds of the charity</b>					
Restricted income funds		34	4	–	–
Unrestricted income funds					
Pension Reserve		(3,477)	(846)	–	–
General Reserve		2,458	740	204	281
<b>Total unrestricted funds</b>		<u>(1,019)</u>	<u>(106)</u>	<u>204</u>	<u>244</u>
<b>Total charity funds</b>	16	<u>(985)</u>	<u>(46)</u>	<u>204</u>	<u>244</u>

Approved by the trustees on 8<sup>th</sup> December 2021 and signed on their behalf by



Chair

Dr Karl Marlowe

	2021 £'000	2020 £'000
<b>Cash flows from operating activities:</b>		
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(2,050)	4,046
Depreciation charges	131	84
Movement in long-term pension deficit liability	2,054	(4,147)
Decrease / (increase) in debtors	312	(27)
(Decrease) / Increase in creditors	(627)	651
<b>Net cash (used in) / provided by operating activities</b>	<b>(180)</b>	<b>607</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(142)	(107)
Transfer in from the acquisition of Pathways	360	–
<b>Net cash used in investing activities</b>	<b>218</b>	<b>(107)</b>
<b>Net cash used in financing activities</b>	<b>(24)</b>	<b>–</b>
<b>Change in cash and cash equivalents in the year</b>	<b>14</b>	<b>500</b>
Cash and cash equivalents at the beginning of the year	1,254	754
<b>Cash and cash equivalents at the end of the year</b>	<b>1,268</b>	<b>1,254</b>

## **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 deficit of £20k (19/20 surplus (143k).

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 Service Users, 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 judges 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) Debtors

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

### m) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### n) Creditors and provisions

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

### o) Financial instruments

The charity 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.

#### ***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.

**1 Accounting Policies (continued)**

**o) Financial instruments (continued)**

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.

**p) 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 2018. 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.

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

**1 Accounting Policies (continued)**

**p) Pensions (continued)**

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.

**q) 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 service users.

**3a Analysis of expenditure (current year)**

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2021 Total £'000	2020 Total £'000
Staff costs (Note 5)	11,347	–	2,270	13,617	13,299
Recruitment & training	–	–	202	202	281
Subsistence & travel	31	–	14	45	64
Premises Costs	2,523	–	112	2,635	2,243
Office running costs	288	–	202	490	61
Insurance	–	–	132	132	40
Information technology	–	–	328	328	359
Bank charges	24	–	58	82	116
Legal & Professional	83	–	29	112	84
Depreciation	–	–	–	49	24
Audit fees	1,467	49	17	1,484	1,224
Other Costs	11,347	–	2,270	13,617	13,299
<b>Total expenditure 2021</b>	<b>15,763</b>	<b>49</b>	<b>3,364</b>	<b>19,176</b>	<b>17,795</b>
Support costs	3,364	–	(3,364)	–	–
Governance costs	49	(49)	–	–	–
	<b>19,176</b>	<b>–</b>	<b>–</b>	<b>19,176</b>	
<b>Total expenditure 2020</b>	<b>17,795</b>	<b>–</b>	<b>–</b>		<b>17,795</b>

3b Analysis of expenditure (previous year)

	Charitable Activities £000	Governance costs £000	Support costs £000	2020 Total £000
Staff costs (Note 5)	11,379	–	1,920	13,299
Recruitment & training	–	–	281	281
Subsistence & travel	–	–	64	64
Premises Costs	1,873	–	370	2,243
Office running costs	–	–	61	61
Insurance	–	–	40	40
Information technology	–	–	359	359
Legal & Professional	–	–	116	116
Depreciation	70	–	14	84
Audit fees	–	24	–	24
Other Costs	1,167	8	49	1,224
	<b>14,489</b>	<b>32</b>	<b>3,274</b>	<b>17,795</b>
Support costs	3,274	–	(3,274)	–
Governance costs	32	(32)	–	–
	<b>17,795</b>	<b>–</b>	<b>–</b>	<b>17,795</b>

#### 4 Net income / (expenditure) for the year

This is stated after charging :

	2021 £'000	2020 £'000
Depreciation	131	84
Operating lease rentals:		
Property	2,763	2,226
Auditor's remuneration (excluding VAT):		
Audit		
– current year	55	40
– prior year under accruals	–	7
	<u>          </u>	<u>          </u>

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

Staff costs were as follows

	2021 £'000	2020 £'000
Salaries and wages	10,783	9,753
Redundancy and termination costs	7	42
Social security costs	1,006	891
Employer's contribution to defined contribution pension schemes	222	191
Operating costs of defined benefit pension schemes	35	26
Agency costs	1,564	2,396
	<u>13,617</u>	<u>13,299</u>

The redundancy and termination costs were settled and paid by the balance sheet date.

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

	2021 No.	2020 No.
£60,000 – £69,999	1	–
£70,000 – £79,999	1	–
£80,000 – £89,999	–	1
£90,000 – £99,999	1	–
£110,000 – £119,999	1	1
	<u>          </u>	<u>          </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)**

	2021			2020		
	Salary	Employer's Pension Contribution	Total	Salary	Employer's Pension Contribution	Total
	£	£	£	£	£	£
Gill Arukpe, Group Chief Executive	115,000	–	115,000	115,000	–	115,000

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £522,204 (2020: £484,773).

**6 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 358.3 (2020: 398.9).

	2021 No	2020 No
Operational staff	307.7	359.7
Management and support staff	50.6	39.2
	<u>358.3</u>	<u>398.9</u>

**7 Related party transactions**

The Charity made charges to its subsidiaries to recover the cost of providing support services: Penrose £2,124,094; (2020: £1,349,000), Equinox £1,354,650 (2020: £1,358,000) and SIG Investments £20,000 (2020: £20,000).

At year end the Charity owed £2,083,365 to Penrose Options (2020: £1,796,000), Nil to Milner Gibson (2020: £Nil), was owed £1,648,148 from Equinox Care (2020: £1,202,000 owed to Equinox Care) and owed £593,981 to SIG Investments (2020 owed £434,000).

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
<b>Cost</b>						
At the start of the year	184	341	175	17	–	717
Transfer from Pathways	6	47	154	9	1,150	1366
Additions in year	20	16	68	2	–	106
At the end of the year	210	404	397	28	1150	2189
<b>Depreciation</b>						
At the start of the year	155	234	119	10	–	519
Charge for the year	8	51	20	4	–	84
At the end of the year	163	285	139	14	0	603
<b>Net book value</b>						
At the end of the year	47	119	258	14	1,150	1,586
At the start of the year	28	107	56	7	–	198

9 Tangible fixed assets – Charity

	Computer equipment £'000	Fixtures & fittings £'000	Lease improvements £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>					
At the start of the year	184	7	70	12	273
Additions in year	6	–	62	–	68
Disposals in year	–	–	–	(1)	(1)
At the end of the year	190	7	132	11	340
<b>Depreciation</b>					
At the start of the year	155	7	41	7	210
Charge for the year	14	–	18	3	35
At the end of the year	169	7	59	10	245
<b>Net book value</b>					
At the end of the year	21	–	73	1	95
At the start of the year	29	–	29	5	63

10 Fixed assets investments and subsidiary undertakings

	2021 £'000	2020 £'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 service users and their families.

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

	Equinox		Penrose		Pathways to Independence		Milner Gibson		SIG Investments	
Year ended 31 March	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Total income	8,271	8,584	10,716	9,469	341	–	–	–	383	368
Total expenditure	(8,128)	(8,732)	(10,606)	(9,181)	(329)	–	–	–	(374)	(348)
Net income / (expenditure)	<u>143</u>	<u>(148)</u>	<u>110</u>	<u>288</u>	<u>12</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>9</u>	<u>20</u>
Pension adjustment	(1,665)	2,727	(686)	1,020	–	–	–	–	–	–
Net movement in funds	<u>(1,522)</u>	<u>2,579</u>	<u>(576)</u>	<u>1,308</u>	<u>12</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>9</u>	<u>20</u>

The results for Pathways above, are from the date of them joining the Group.

10 Fixed assets investments and subsidiary undertakings (continued)

Year ended 31 March	Equinox		Penrose		Pathways to Independence		Milner Gibson		SIG Investments	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Assets	1,694	1,643	3,047	3,357	2,055	–	20	20	736	514
Liabilities	(2,974)	(2,907)	(1,330)	(1,614)	(307)	–	–	–	(647)	(434)
Pension Provision	(2,025)	(520)	(875)	(326)	(577)	–	–	–	–	–
Funds	<u>(3,305)</u>	<u>(1,784)</u>	<u>842</u>	<u>1,417</u>	<u>1,171</u>	<u>–</u>	<u>20</u>	<u>20</u>	<u>89</u>	<u>80</u>

## 11 Parent charity

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

	2021	2020
	£000	£000
Gross Income	3,561	3,289
Results for the period	<u>19</u>	<u>(145)</u>

## 12 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade Creditors	1,107	1,345	–	24
Staff loans	25	3	–	–
Amounts due from group undertakings	–	–	2,222	1,636
Other debtors	93	26	–	–
Prepayments	539	383	158	129
Accrued income	242	350	–	–
	<u>2,006</u>	<u>2,107</u>	<u>2,380</u>	<u>1,789</u>

£1,780,000 (2020: £434,000) of amounts due from group undertakings are receivable in more than 12 months.

## 13 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank Loans	14	–	–	–
Obligations under finance leases	16	–	–	–
Amount due under group undertakings	–	–	–	–
Trade creditors	723	1,375	2,109	1,797
Taxation and social security	320	608	102	205
Pension contributions	85	83	–	–
Other creditors	779	611	8	14
Accruals	812	532	88	74
	<u>2,749</u>	<u>3,209</u>	<u>2,307</u>	<u>2,090</u>

## 14 Creditors: amounts falling due after more than one year

	Group	
	2021	2020
	No	No
	£'000	£'000
Bank Loans	63	–
Obligations under finance leases	7	–
	<u>70</u>	<u>–</u>

## 15 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.	
Active	6	
Deferred	149	
Pensioners	59	
<b>Financial assumptions</b>	<b>2021</b>	<b>2020</b>
	<b>%pa</b>	<b>%pa</b>
Rate of discount	2.49	2.66
Price inflation (RPI)	3.26	2.60
Price inflation (CPI)	2.87	1.60
Earnings increases	3.87	2.60
Allowance for commutation of pension for cash at retirement	75%	75%
<b>Other material assumptions</b>		
Life expectancies in retirement:	<b>Years</b>	<b>Years</b>
Male currently aged 65	21.60	21.50
Female currently aged 65	23.50	23.30
Male currently aged 45	22.90	22.90
Female currently aged 45	25.10	24.50

**15 Pension Schemes (continued)**

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

	2021	2020
	£'000	£'000
Fair value of plan assets	16,426	14,820
Present value of defined benefit obligation	(19,326)	(15,666)
Net defined liability to be recognised	<u>(2,900)</u>	<u>(846)</u>

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

	2021	2020
	£'000	£'000
Opening fair value of employer assets	14,820	14,480
Interest Income	352	335
Experience on plan assets	1,197	139
Contributions by the employer	333	531
Withdrawals by Employees	–	–
Benefits paid and expenses	(276)	(665)
Closing fair value of employer assets	<u>16,426</u>	<u>14,820</u>

**Reconciliation of Opening and Closing Balances of Defined Benefit Obligation**

	2021	2020
	£'000	£'000
Opening defined benefit obligation	15,666	19,473
Current service cost	–	–
Expenses	20	21
Interest cost	368	445
Contributions by members	–	–
Withdrawals by Employees	–	–
Actuarial losses / (gains)	3,548	(3,608)
Benefits paid and expenses	(276)	(665)
Actual return on plan assets	<u>19,326</u>	<u>15,666</u>

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

	2021	2020
	£'000	£'000
Current service cost	–	–
Expenses	20	21
Net interest expense	16	110
<b>Defined benefit costs recognised in the SOFA</b>	<u>36</u>	<u>131</u>
Actual return on plan assets	<u>1,549</u>	<u>474</u>

**15 Pension Schemes (continued)**

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

	2021	2020
	£'000	£'000
Actuarial (loss) on recognising full scheme liability	(1,033)	–
Actuarial (loss) / gain on plan obligations	(3,548)	3,608
Actuarial gain on plan assets	1,197	139
	<b>(3,384)</b>	<b>3,747</b>

**16 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 2021.

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 £12,180 (2019/20 – £14,350) and is shown under pension costs; defined benefit, in Note 9. 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.



## 16 Retirement benefit schemes – Pathways (continued)

### *Other information*

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

<i>Key assumptions</i>	2021	2020
	%	%
Discount rate	2.00%	2.35%
Expected rate of increase of pensions in payment	2.80%	2.00%
Expected rate of salary increases	3.80%	3.00%

<i>Mortality assumptions</i>	2021	2020
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The assumed life expectations on retirement at age 65 are:

	Years	Years
Retiring today		
– Males	21.6	21.8
– Females	23.6	23.7
Retiring in 20 years		
– Male	22.9	23.2
– Female	25.1	25.2

Amounts recognised in the income statement:

	2021	2020
	£'000	£'000
Current service cost	13	14
Net interest on defined benefit liability	13	8
Other costs and income	1	71
Total costs	27	93

Amounts taken to other comprehensive income:

	2021	2020
	£'000	£'000
Actual return on scheme assets	(284)	76
Less: calculated interest element	22	25
Return on scheme assets excluding interest income	(262)	101
Actuarial changes related to obligations	282	104
Other gains and losses	–	(1)
Total costs	20	204

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

**16 Retirement benefit schemes – Pathways (continued)**

	2021 £'000	2020 £'000
Present value of defined benefit obligations	1,818	1,515
Fair value of plan assets	(1,241)	(937)
Deficit in scheme	<u>577</u>	<u>578</u>

Movements in the fair value of plan assets:

	2021 £'000
Liabilities at 1 April 2020	1,515
Current service cost	13
Benefits paid	(29)
Actuarial gains and losses	282
Interest cost	35
Other	2
At 31 March 2021	<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:

	2021 £'000
Fair value of assets at 1 April 2020	937
Interest income	22
Return on plan assets (excluding amounts included in net interest)	262
Benefits paid	(29)
Contributions by the employer	48
Contributions by scheme members	2
Other	(1)
	<u>1,241</u>

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

	2021 £'000	2020 £'000
Equity instruments	799	577
Debt instruments	314	233
Property	128	127
	<u>1,241</u>	<u>937</u>

**17a 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	1,586	–	–	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)	–
<b>Net assets at 31 March 2021</b>	<b>2,458</b>	<b>(3,477)</b>	<b>34</b>	<b>(985)</b>	<b>204</b>

**17b 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	198	–	–	198	63
Investments	450	–	–	450	20
Net current assets	148	–	4	152	161
Defined benefit pension provision	–	(846)	–	(846)	–
<b>Net assets at 31 March 2020</b>	<b>796</b>	<b>(846)</b>	<b>4</b>	<b>(46)</b>	<b>244</b>

**18a Movements in funds (current year)**

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

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

**16b Movements in funds (prior year)**

	At 1 April 2019 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2020 £'000
<b>Restricted funds:</b>					
Fulfilling Lives	–	186	(186)		–
Female Offender Community Investment fund	–	154	(154)		–
Skills for Care	1	–			1
<b>Total restricted funds</b>	<b>1</b>	<b>340</b>	<b>(340)</b>	<b>–</b>	<b>1</b>
<b>General funds</b>	<b>(827)</b>	<b>8,244</b>	<b>(8,392)</b>	<b>(290)</b>	<b>(1,265)</b>
<b>Pension reserve</b>	<b>(3,537)</b>	<b>2,727</b>	<b>–</b>	<b>290</b>	<b>(520)</b>
Total funds including pension fund	<b>(4,363)</b>	<b>11,311</b>	<b>(8,732)</b>	<b>–</b>	<b>(1,784)</b>

**Purposes of restricted funds**

A. 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.

B. Female Offender Community Investment Fund – this grant was for the Women's Programmes run in Brighton and

London and funding for the Domestic Violence Trauma Specialist at Brighton Women's Service.

C. Skills for Care. This is a programme of work related to the Assessed and Supported Year in Employment.

**19a 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

	2021 £'000	2020 £'000
Less than one year	1,880	1,859
One to five years	2,381	2,212
Over five years	1,037	439
	<b>5,298</b>	<b>4,510</b>

## 19b 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.

	2021 £'000	2020 £'000
Less than one year	80	80
One to five years	47	127
	<u>127</u>	<u>207</u>

## 20 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

## 21 Acquisition of Pathways to Independence

On 19 January 2021, Social Interest Group took control of Pathways to Independence Ltd, a charitable company (company number 01859070, charity number 292579). The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities.

At that date, Social Interest Group acquired, for no consideration, the following assets and liabilities.

	Value at 19 January 2021 £000
<b>Assets:</b>	
Tangible fixed assets	1,292
Debtors	185
Cash at bank and in hand	543
	<u>2,020</u>
<b>Liabilities:</b>	
Current liabilities	(203)
Non-current liabilities	(154)
Pension liabilities	(578)
<b>Total net asset value/net assets received</b>	<u>1,085</u>