



PLUS (Providence LINC United Services)

Registered Charity 1031595

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

PLUS (Providence LINC United Services)

**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

<i>Contents</i>	<i>Page no.</i>
☒ Reference and Administrative details	4
☒ Objects and Values	5
☒ Structure, Governance and Management	6
- Induction of Trustees	
- Consultation with Service Users	
- Employee Consultation	
☒ Impact Report	9
- Public Benefit	
☒ Strategic Report	11
- Achievements in 2020-21	
- Business Aims for 2021-22	
- Financial Review	
- Risk Management	
- Review of Reserves	
- Remuneration	
☒ Investment Policy	18
☒ Trustees' Responsibilities	21
☒ Independent Auditor's Report	23
☒ Statement of Financial Activities	29
☒ Balance Sheet	30
☒ Statement of Cash Flows	31
☒ Notes forming part of the financial statements	32 - 43



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

Reference and Administrative Details

Constitution

PLUS (Providence LINC United Services) is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. Charity number: 1031595. Company number: 02782712

Directors and Trustees

The directors of the charitable company ("the Charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year were as follows:

David Dannreuther, Chairman
Sarah Broad
John Burgess
Ester Janko Mulcahy
Christopher Philipsborn
David Scott
Jan Keane
Joan Anim-Addo
Rajkumar Bidla (resigned 19/07/2021)
Suzannah Brown (resigned 19/07/2021)

Chief Executive and Company Secretary: Sally Pennington

Registered Office: 6, Belmont Hill, Lewisham, London SE13 5BD

Auditor: Moore Kingston Smith LLP, Devonshire House, 60 Goswell Rd, London, EC1M 7AD

Bankers: Barclays Bank plc, 93 High Street, Lewisham, London SE13 6BB
Cazenove Capital 1 London Wall Place, London EC2Y 5AU

The trustees present their report, together with the financial statements of the Charity for the year ended 31 March 2021. Legal and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements; the memorandum and articles of association and the Statement of Recommended Practice and Accounting and Reporting by Charities including Update Bulletin 2.



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

Objects and Values

Our Charitable Objects

Providing relief for people with learning difficulties in particular by the provision of residential care services and support services to such persons.

Our Mission Statement

"We recognise and celebrate the uniqueness of every individual with a disability. We are committed to enabling personal growth now and for the future, giving each person the strongest voice with regards to decision making and lifestyle choices. We aim to provide standards of service and support which we would choose for ourselves or those close to us."

Our Values

Excellence

People with learning disabilities merit excellent services and to be supported to fully achieve the potential of their lives and talents.

Choice

People with learning disabilities should be supported to make decisions and choices, big and small. They should be listened to about what they want from their lives, giving them greater choice and control.

Rights

As equal citizens in society, people with learning disabilities should be supported to make use of their rights and fulfil their responsibilities.

Safety

People with learning disabilities should be able to be confident of their own safety.

Access to information

People with learning disabilities must have access to better information so they can make choices, understand their rights and responsibilities, and speak up and be heard.

Community involvement

People with learning disabilities should be fully involved in their local community, to access all that the community has to offer them, and to be able to contribute to that community.



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

Structure, Governance and Management

The Charity is administered by a board of trustees of up to 12 members, who meet bi-monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charity. Trustees are also directors of the company and the names of those who served during the year and up to the date of this report are shown on page 2.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2021 was 10 (2020 = 10). The trustees have no beneficial interest in the charitable company.

All members of the Charity shall be allowed to serve as management committee members subject to the following:

- ✗ At no time shall persons who are associated with a Local Authority, Health Authority or NHS Trust, which is providing funding to the Charity, comprise more than 19% of the management committee.
- ✗ Places are reserved on the management committee for one user of the services provided by the Charity; one person who is a member of the local community and lives within Lewisham; and one person who is an unpaid carer of a person with learning disabilities or is an advocate for such a person whether paid or unpaid.
- ✗ Management committee members may serve for a period of no more than three years but may stand for re-election.

Day to day management is in the hands of a Chief Executive as head of the Strategic Management Team (SMT). The SMT is comprised of the Chief Executive, Deputy Chief Executive and three Heads of Service. Service Managers are responsible for the provision of care and support within nominated services, in accordance with the Charity's contractual and statutory obligations. The Finance Manager is responsible for the management of the Charity's financial transactions, records and banking. The central structure of the Charity includes the Human Resources Manager, Training & Development Manager and Administration Manager and their staff.



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

Charities Governance Code

The Charity's Board is aware of the Code and has made moves to comply with its provisions. Recently, these have included:

- ✗ Trustees considering the Code and agreeing to subscribe to the principles underpinning the Code
- ✗ Trustees have reviewed PLUS governance versus the Code and taken steps to amend/improve policy. At July 2021 actions included an updated Board skills audit.

Induction and Recruitment of Trustees

New trustees are appointed by vote at a General Meeting or by occasional co-option between meetings for a trustee to serve until the next General Meeting. No other body has the right to appoint trustees. Trustees are recruited where a need has been identified for someone with particular skills or experience. Vacancies are advertised externally, and approaches are made to suitable organisations, such as REACH, who recruit volunteer trustees. Before appointment as a trustee, the applicant is required to provide biographical details and satisfactory references and a meeting is arranged with the Chief Executive and other senior staff and trustees to discuss the business of the Charity and the motivations and skills of the trustee. Following this, a successful applicant will be recommended to the trustees – normally at a General Meeting. Once appointed, a new trustee will receive an induction pack from the Company Secretary. The Charity requires a Disclosure & Barring (DBS) check on all Trustees.

Consultation with Service Users

The PLUS Shadow Board is a consultative committee of staff and service users. This group seeks to represent the views of service users and staff and promotes discussion of current issues. Through the Chief Executive, the group raises questions for the Board of Trustees and acts as a source of information for the Trustees about important decisions within PLUS.

The Chief Executive chairs the Shadow Board and membership does not include members or directors of PLUS. It influences decision-making and is a useful tool for consultation but has no formal role in the governance of the Charity. The Shadow Board is the main focus for consultation with beneficiaries of the Charity.

During 2020-2021 the activities of the Shadow Board were suspended due to the pandemic conditions but meetings are planned to re-start in 2021 using online tools. Instead, during 2020-2021 senior managers produced a number of accessible video newsletters for service users in the absence of regular Shadow Board meetings. In normal years, trustees and senior managers regularly visit all the Charity's services and consult directly with service users. In 2020-2021 this process was suspended for a period during lockdown but senior managers resumed house visits early in 2021 and it is planned to return to normal procedures during



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

2021-2022. At least every two years, PLUS organises a service user survey and this was completed early in 2021. The results are used by the Strategic Management Team to influence policy for the following Business Plan. Additional surveys are conducted to establish the views of family members and carers.

Employee Involvement and Consultation

Employees have been consulted and kept informed on issues of interest to them by means of regular staff team meetings. In normal years, this also occurs through the participation of staff representatives at the Shadow Board meetings.

During the recent suspension of these meetings due to the pandemic, the Chief Executive has issued several video updates to all employees, covering developments and strategies within PLUS. She has also held group video meetings with all staff to communicate the 2021-2022 Business Plan, followed by question and answer sessions.

Separate planning days involved managers in discussing and taking forward those issues raised by staff, senior management and the Board of Trustees. There are regular managers' workshops covering specific areas of knowledge and policy. A monthly staff newsletter provides information on events and activities across the Charity.

A health and safety group of representatives from each workplace is chaired by a Head of Service to ensure recommendations are shared with senior management.

Consultation with staff forms part of all Quality Visits, in which senior managers spend time in each PLUS service. The Charity does not officially recognise any Trade Union but has constructive relationships with individual representatives of UNISON and the GMB unions.



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

Impact Report

The Charity supports adults with learning disabilities to develop more independent lifestyles within the community. Beneficiaries are encouraged to have an active social life with the support of trained, skilled staff and volunteers. Service provision is innovative and of a high standard, based around individual aspirations and support needs. During the year, the Charity provided the following services in furtherance of its objects:

✗ *Residential and Supported Living Services*

At 31st March 2021 we are managing 70 places with 24 hour support in registered care homes and supported housing in Lewisham, Southwark, Sutton and Greenwich. There are 4 service user vacancies, with 66 people receiving services. By comparison, at 31st March 2020, there were 2 service user vacancies, with 49 people receiving services.

✗ *Property Management*

PLUS also provides a property management service to four of the above services and to our office building and shop.

✗ *Respite Service*

Residential Respite services are provided for up to 2 people at a time in a service commissioned by the London Borough of Lewisham. This includes provision for emergency referrals. The service was used by 8 people in 2020/21, with a total of 462 nights. This compares to 28 people in 2019/20, with a total of 303 nights, reflecting reduced purchasing by the local authority.

✗ *Day Centres and Outreach services*

The Charity had previously operated daytime support services within two of Lewisham Council's buildings but these were closed for the duration of the pandemic. Once government restrictions allowed, the Charity set up a small day support service within its own office building, and provided weekly visits to maintain contact with former day centre users. 6 people attended these services regularly during the year (2019-20 = 24), with a typical attendance of 11 sessions a week (2019-20 = 57). As Lockdown provisions are removed, this figure is expected to grow to something near its former level.

Outreach support was reduced due to pandemic restrictions and an outreach service was provided to 11 people in 2020/21, with a total number of hours typically at 114 a week. This was a significant decrease on the previous year when 19 people were supported.

✗ *Leisure and Employment Activities*

Although the Board of Trustees agreed to continue to fund leisure activities from reserves, Covid restrictions meant that it was not permitted to continue these services for most of the financial year. The Trustees consider this to be a valuable provision, meeting the needs of people with learning disabilities who would otherwise receive little or no other paid-for support and limited outdoor activities re-started in spring 2021. The services currently funded from reserves include:



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

- Group activities, such as a rambling group and a social drop-in.
- Pretty Little Cupcakes, a coffee and cake business operating from a shop in PLUS's Old Bank Building in Penge. The scheme offers part-time employment, training and volunteering opportunities for people with learning disabilities. The shop re-opened after the year end.

PLUS also employs people with learning disabilities in a number of unsupported roles such as office cleaning and recruitment. 15 people with a declared learning disability were on PLUS's payroll in total at 31st March 2021, a decrease from 19 in the previous year.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charities Commission's general guidance on public benefit. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In line with its charitable objectives, the Charity's entire work is dedicated to the support, care and housing of people with learning disabilities and mental health needs. These activities are in themselves a public benefit. Support services are based on the values of *dignity, respect, community presence, participation and development of competence*.

Care and support services promote *Independence, Social Inclusion, Rights and Choice* by providing opportunities to gain skills and maintain independence; to improve health and wellbeing by healthier lifestyles and access to specialist health care. Most beneficiaries receive support with daily living and leisure activities, at home and away. Many beneficiaries receive direct physical support with eating or personal care.

Support is provided to gain access to training and employment for people who face difficulty in obtaining paid employment on grounds of their disability. This work includes paid employment in our shop and training in how to succeed in the workplace.

Housing management and tenancy support services help people to stay in their own homes and meet their tenancy obligations, improving status in the community and providing a stable base from which to learn new skills and increase independence.

Care contributions are paid by some beneficiaries who live in our Southwark services. These figures are assessed by the local authority and deducted from funding due to the Charity under contracts for the provision of care. This amounts to approximately 0.25% of PLUS's income. Other fees were charged to beneficiaries towards the costs of day trips, holidays and other leisure activities but due to pandemic this came to under £1,000, representing a negligible percentage of PLUS's income.

Social Fund grants are made to people who use the Charity's services to meet the cost of holidays, as hardship grants or other activities. Grants to the value of £1,028 were made



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

during the year. Grant decisions are made by a Social Fund Committee comprised of service users and employees.

People in poverty are not excluded from the Charity's services as the majority of care and support costs are met by local authorities or by state benefits. PLUS also subsidises non-statutory services from its own resources.

Volunteers

- ✗ Service user members of PLUS's Shadow Board are also volunteers. The 10 Members of the Board of Trustees are all volunteers and provide valuable support to the Charity, including specialist advice and support to senior managers.
- ✗ We estimate that volunteers have contributed 142 hours of support to the Charity during the year.

Strategic Report

Achievements in 2020 to 2021

Overview

We begin by recognising the commitment shown by the Charity's staff throughout the pandemic to maintaining quality of life for the people we support. Our thanks go to all employees for supporting the Charity's work during a challenging period. Our response to the Covid-19 pandemic has influenced every aspect of our work. A high standard of infection prevention and control has been maintained in all services and, despite infections among service users and staff, everyone has returned to good health.

Staffing levels and personal protective equipment (PPE) supplies have been maintained throughout but the pandemic has brought stress and anxiety for support staff, as well as the challenges of new infection control regimes and the discomfort of having to wear a face mask in the workplace at all times. For managers, it has been a demanding period with rapid changes in practice to respond to rising infection rates and emerging medical knowledge. There has also been support – notably from local authorities and NHS bodies – which includes advice and information, but also grants funding and free equipment (*see the Covid Funding section in Financial Review below*)

One of the Charity's first responses to the pandemic was to change patterns of staff deployment to restrict movement between workplaces and cut use of agency staffing. As understanding of the virus developed, new infection control measures were implemented to comply with NHS requirements.



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

For the Charity's beneficiaries, many of whom are designated as 'clinically extremely vulnerable', the long lockdowns have very significantly disrupted their routines and activities, particularly during the period when Shielding was in force and while visitors were not permitted into care homes.

A total of sixteen employees were furloughed at various times under the government's job support scheme, some for very short periods. This was done only under the Shielding scheme or where staff could not work safely for medical reasons. As vaccinations became available, PLUS has taken a strong stance in favour of vaccination. Local authorities and NHS bodies gave support to ensure employees were vaccinated with the first priority groups and they have continued to offer vaccination clinics for service users and staff, as well as advice and information.

New sick pay and self-isolation provisions were put in place as staff began falling sick in the 'first wave' of infections to ensure employees did not lose pay due to self-isolating. An award and a small bonus was made to every working employee in recognition of the additional work caused by the pandemic.

Testing and reporting regimes for frequent PCR and LFD tests have been implemented. Additional funding has been received from local authorities in response to the pandemic but this has been subject to stringent conditions around usage, meaning that some of this restricted funding remains unspent at the end of the year. Significant new administrative burdens have been imposed by local authorities and the NHS as part of their own Covid response. These include daily notifications of vacant placements, testing and vaccination rates.

The pandemic has led to changes in a number of working practices, such as moving meetings online and the Charity has provided technology for service users to stay in contact with friends and family members online while care homes were closed to visitors. During the lockdown early in 2021, when contractors' access to care homes was limited by infection prevention measures, service users at Holmbury Dene took over maintenance of their garden with support from the staff, and are proud of their achievements. With the gradual withdrawal of lockdown measures, people receiving the Charity's support have re-started some activities outside the home and organised summer holidays. Many have been supported to meet up with family members after months of physical separation.

Though we have come through the worst of the pandemic with the organisation intact, the persistent demand on management time has delayed other projects:

In PLUS's Five Year Plan, we aimed to make the best possible use of the company's capital assets in order to meet our charitable objectives. The decision was made by Trustees to release money from designated funds for projects/one off expenditure in line with these objectives. The Charity had intended to purchase and adapt a holiday home for use by people with disabilities but with the cancellation of all holidays during two phases of the pandemic and following the closure of all Council day centre buildings, the Trustees now consider that purchase of a hall or classrooms for day services would be the most useful option and the holiday home project has been postponed.



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

No services were tendered by partner local authorities due to the pandemic, with new tenders expected in the second half of 2021-2022. For the same reason transfer of four new supported living services to PLUS was delayed, finally taking place in October 2020

Leaving the European Union: The Charity has not suffered any noticeable adverse consequences from the immigration or international trade implications of Brexit.

Maintaining & Developing Market Share: Four new services in Lewisham were acquired through public tendering, leading to an anticipated annual increase the Charity's income by 854k for future full years.

Use of Assets: a review of leisure and supported activities was undertaken, leading to a plan to offer new services in new venues in 2021.

Quality provision and monitoring: PLUS has continued to expand the role of digital care monitoring in assuring the quality and consistency of services. We have continued to integrate Active Support and Positive Behavioural Support methods into the culture of PLUS.

Ensuring Compliance with new Legislation: In relation to the pandemic this was a significant part of our work during the year. We are still awaiting full procedural details of the new Liberty Protection Safeguards which replace the DoLS regulations under the Mental Capacity Act.

Business Aims and Challenges for 2021-2022

Overview

The emphasis remains on weathering the pandemic, which will continue to affect us through the coming year. Some services are likely to be fundamentally changed, particularly Day Services, and we have seen a reduction in respite care bookings. We need to gradually rebuild these services. In the new, post-pandemic era priorities will be changed, and we will look to invest in a local property to expand activity provision.

Staff have worked hard under serious pressures for the last year. As we emerge from the pandemic we will continue to consider the mental health and wellbeing support needs of frontline staff.

The tendering of services is a significant priority, as all our key funders are currently planning to tender services. It is important for the sustainability of the organisation that we maintain our current services, and would be desirable to gain more to increase the size of the organisation.

Following a review of performance and challenges over the last year, key business planning objectives have been developed and these are set out below.



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

Business Continuity

We will again review/update our Business Continuity Plan in year to take into account the rapid pace of change in the political and business environment.

Maintaining & Developing Market Share

In 2021 our services in Southwark and Lewisham will be tendered. This will place demands on senior management time, at a time when we are already stretched due to the pandemic. At the same time it will be an opportunity to tender for additional services.

As the pandemic retreats, Day Services, Outreach and group activities will be redeveloped, but we are aware this will not be the same as pre-pandemic. PLUS has already begun to position ourselves as front players in developing the new services. We will continue to engage with the Council in respect of this provision and consider any changes needed as we build up services. This will include a consideration of our provision of adapted accommodation to provide such services. All this activity means that service provision by PLUS is again likely to change significantly by the end of the Business Planning year.

Following successful tendering at the end of the 2019/20 planning period PLUS has taken on four new services, so starts the 2021/22 business year with increased service provision and income. Integrating the new staff teams into PLUS ways of working, along with new and different terms and conditions will form part of our objectives for this year.

Values and Staff Commitments

We will continue to integrate our values into all our processes, and this year will review our appraisal process; as well as ensuring that a range of face to face 'upward feedback' mechanisms are reinstated and reinforced as soon as viable, in order to provide senior managers with a broad picture of the views of employees.

We will continue to value and support the wellbeing of staff during the ongoing difficult period, through digital and face to face means as these become viable.

Use of Assets

One of the objectives in PLUS's 5 year Strategic Plan is to make the best possible use of the company's assets in the pursuance of the charitable objectives. Trustees agreed continuing funding for leisure and activity services (Activity Plus) and cupcake shop (Pretty Little Cupcakes) out of reserves. 2020 was a rollercoaster year for these services, varying from total closure to partial reopening. During this period we will gradually reopen services while considering options for building on the success of Pretty Little Cupcakes and offering more paid work to individuals with learning disabilities.

We will consider acquiring some ground floor space locally where day activities can be provided e.g. meetings rooms/ training facilities. We will also consider other options for consolidating PLUS's success and moving forward post-pandemic.

We will ensure that we meet commitments to service users where there has been a backlog of property decorations and maintenance due to Covid-19.



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

Staffing and Staff Development

In 2020/21 we had to move to remote/on-line training for all staff. As lockdown criteria changed we were able to provide some face to face training, but as groups were so small many staff did not receive any face to face training. We hope to be able to focus on those who have not had face to face training as the year progresses. Our aim is to catch up with all face to face induction and mandatory training by the year end.

An important objective in 2020/21 will be to maintain continuity of staffing with an ongoing emphasis on increasing staff recruitment and reducing turnover and sickness absence. As the number of services has increased, we have reviewed the optimum number of Bank staff needed to support our services and will recruit more Bank staff to facilitate this.

Ensuring Compliance with new Legislation

We will continue to review and implement changing government and health guidelines in respect of the pandemic. We will also ensure full compliance with new legislation, including the new Liberty Protection Safeguards under the Mental Capacity Act.



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

Financial Review

Figures are rounded to the nearest £1,000 for clarity.

The accounts show a full-year increase of £1,473,000 in book value, due to growth in the value of investments and net operating income. Once unrealised gains and losses on property and investments are excluded, there is a net operational surplus of £63,000. This compares with a budgeted deficit of £86,000 of which £76,000 is authorised spending from reserves for Activity Plus.

This year there have been unrealised gains in our property portfolio of £66,000.

INCOME

2020-21 saw an increase in the level of income from Lewisham Council totalling £478,000, of which £353,000 was due to funding for four new supported living services. Income from other boroughs saw only modest increases.

Charges to users for leisure activities and sales in Pretty Little Cupcakes fell from £35,000 to £5,335, while staffing and staffing expenses fell to £18,000, against a budget of £94,000. These figures reflect the closure of Activity PLUS services during lockdown.

COVID FUNDING

Local authorities have supported some of the additional costs of the pandemic by distributing central government grants and offering discretionary funding where possible. We have received unrestricted funds in the form of 'Covid Grants' totalling £45,000 from local authorities.

Infection Control Grants and funding to support Lateral Flow Device testing have come from Lewisham, Southwark and Greenwich councils and are subject to strict limitations as to use, so have been accounted for as restricted funds. The total received is £59,000.

The government's Job Support Scheme has paid a considerable part of the costs of furlough for employees who fell under the 'Shielding' scheme or were unable to work safely for other health reasons. £33093 has been received.

The charity also acknowledges benefits in kind received from NHS PPE in the form of Personal Protective Equipment. More than 100,000 items have been received including surgical masks, aprons, visors, hand sanitiser surgical gloves.

EXPENDITURE



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

Expenditure on wages increased by £524,000 due to increased levels of service provision. Agency staffing expenditure in the year to March 2021 was £403,000, compared to £567,000 in the previous year. This represents 9.4% of total staffing costs, compared to 14% in the previous year and reflects our policy of downward pressure on agency staffing as an infection control measure.

PLUS has reviewed its position regarding the allowance paid for sleeping nights to ensure payment of the National Living Wage as an average across the hours worked. Following use of a government model for calculating liability, as at 31 March 2021, there are no identified liabilities to employees under the national minimum wage requirement and a minimum of the national living wage is paid on average across the working hours for all shifts.

Capital expenditure of £21578 was made, chiefly on adaptations and equipment for residential homes.

DESIGNATED FUNDS

Designated Funds have been re-examined following a review by the trustees of the purpose of each designation. For more information see **Review of Reserves** below.

Risk Management

The Trustees use a risk management strategy comprising:

- ⊗ An Organisational Risk Management Policy
- ⊗ The establishment of a Risk register
- ⊗ An annual review of the risks the Charity faces
- ⊗ An annual Risk Action Plan
- ⊗ The introduction of systems that mitigate the risks identified in the register and an annual review of systems to minimise any potential impact on the Charity should any of those risks materialise.

The Organisational Risk Register was reviewed and approved by the trustees on 18 January 2021. Below is a summary of the actions to mitigate the most significant risks identified through this process:

- ⊗ **Free reserves:** Trustees to continue to monitor the level of free reserves in relation to increases or decreases in turnover. Senior managers were asked to identify options where additional expenditure would enhance the impact of the charity.
- ⊗ **Lack of sufficient annual uplift on contracts:** Continue to monitor expenditure against budget; look for alternative sources of income, new business opportunities and efficiency savings.



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

- ✗ **Recruitment:** Continue to be innovative in recruitment of staff. Continue to invest in staff training. Membership and deployment of Bank staff is being reviewed to ensure maximum effectiveness.
- ✗ **Quality Management:** Changes in management practice due to Covid-19 have led to some warning signs that vigilance is needed to maintain service quality. Senior management visits to workplaces have been increased.
- ✗ **Deterioration of the working environment due to inaction by Housing Associations:** Continue to act to support service users and managers in ensuring maintenance is done when required for the safety and comfort of residents.
- ✗ **Regulation:** Continue to take rapid action where services fail to fully meet all CQC standards.

Review of Reserves

The Trustees have considered the level of free reserves required to fund operational and infrastructure contingencies. They have taken into account a number of current and future risks, including:

- ✗ Competition in the market for support services and the likelihood of further cuts in statutory funding
- ✗ Late payments by local authorities. At times, payment of invoices is up to 2 years late due to administrative delays.
- ✗ Two funders do not support the fixed costs of vacant places in registered care and supported living.
- ✗ The likelihood of bad debts from local authorities due to restructuring and changing personnel.
- ✗ Commitment by the trustees to an "orderly withdrawal" from any service that is decommissioned, giving a transition period of 6 months for the benefit of service users and staff. This would include the cost of redundancy payments for staff.

The Trustees have agreed that the optimum level of free reserves would be the equivalent of nine months' operational costs. This reflects the difficult financial environment we are working in. As at 31 March 2021, 9 months operational costs are projected to be £4,301,000. At the same date free reserves stand at £4,200,072



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

Remuneration

Support staff salaries are currently set at the London Living Wage (LLW). Given the uncertainty of future funding, the Board has made no commitment to future pay increases, although the LLW is currently a contractual requirement for Lewisham Council.

Only one employee earned in excess of £60,000 during the year and aggregated key management personnel earnings, including employer's pension payments, amounted to £304,000. This compares to £295,000 in 2019-2020, the increase being due to a percentage pay rise which applied equally to all employees.

Pay for key management personnel is set by the Trustees based on a recommendation by the Chief Executive, taking into account the financial situation of the Charity and the levels of pay increases offered to other grades of personnel. In 2020-2021, the Charity was able to use efficiency savings to increase wages and maintain the London Living Wage for all Support Workers, despite receiving no support for this from two of our major funders.

Fundraising

The Charity does not engage in fundraising activities and no donations are sought from the public. The charity does not use third parties to assist with fundraising and the Charity received no complaints in this year regarding its fundraising practices.

Investment Policy

Levels of cash within the Charity are generally high but are subject to large variations caused by late payments by statutory customers. Much of our income is paid in arrears and payment from local authorities is often late or disputed, with adjustments for incorrect values sometimes taking years. Expenditure is relatively even from month to month, due to the high proportion of salary costs within overall expenditure. Our priorities are to provide reliable, consistent services and to pay employees on time, as well as meeting a number of statutory obligations placed on the Charity. This dictates that substantial working capital is required and we currently aim to hold approximately £800,000 in instantly-available cash.

Freehold land and buildings to the value of £1,765,000 are used in pursuance of our charitable purpose and so fall outside the scope of the Investment Policy. The Board of Trustees lets surplus accommodation within these buildings to provide an income. The decision to proceed with letting included consideration of the relative financial benefits of either letting or selling surplus accommodation in terms of revenue opportunities and future capital gains on the value of property held.



ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

Assets of £4,227,000 have been identified for investment. These represent approximately 51% of the Charity's net assets. Under its Memorandum and Articles of Association, the Charity has the power to make any investment that the trustees see fit. The Trustees have considered the most appropriate investment policy for funds and have appointed Cazenove Capital ("the Bank"), with an investment manager specialising in Charity funds. A portfolio of investments is managed on behalf of PLUS under the scrutiny of the Bank's directors and aims to create capital growth, with the option to draw an income at a future date.

Investment policy is set by the Board of Trustees, with responsibility delegated to individual Trustees and senior employees to meet with investment managers and report back to the Board.

Investment Objectives - The principal objective of the investment is to achieve growth in excess of inflation at a level of risk which will not compromise the long term viability of the charity. It is intended that the sum will remain invested for a period of 8 to 10 years from January 2012, although Trustees may decide to draw on capital before this time. The Charity has adopted a total return approach to investment.

While the main business of the Charity remains provision of services under contract to local authorities and NHS Clinical Commissioning Groups, non-contractual support and activities sustain the social value and charitable objectives of PLUS. These are part-funded through surplus income or, in periods of operational deficit, by drawing on surplus cash, capital investments or interest earned on them. Investments are managed with the objectives of:

- ⊗ growing and maintaining the real capital value of invested assets
- ⊗ providing the potential for cash to support and broaden charitable activities.

Attitude to Risk - Management of the charity's portfolio is based on a relatively low-risk approach, in accordance with a risk profile agreed by the Trustees and dated 21 November 2011. The detailed approach to investment risk has been evaluated by Trustees, jointly with the Bank, and a set of investment parameters agreed. Following a meeting with the investment manager, these were reviewed at the Board meeting on 16 November 2020 and it was agreed that no changes were required. Investment parameters will normally be reviewed annually. The risk profile lays out the following expectations:

- ⊗ The anticipated average annual gain in portfolio value over the long term
- ⊗ The anticipated worst quarterly drawdown over the long term
- ⊗ The maximum anticipated volatility of the capital value of the investment which is acceptable to the Trustees.

Assets - The Charity's assets should be invested widely and must be diversified by asset class and by security. Asset classes could include cash, bonds, equities, property, private equity and any other asset that is deemed suitable for the Charity.

Currency - The base currency of the investment portfolio is Sterling. Investment may be made in non-Sterling assets but should not exceed 40% of the total investment portfolio value. Hedging is permitted.



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

Credit Rating - The Charity's cash balances must be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund. Deposits must be spread by counterparty, subject to a maximum exposure of £300,000 per institution. Bond exposure must be focused on investment grade issuers.

Liquidity Requirements - The Trustees have decided that income should be reinvested until further notice. The Trustees wish to keep at least 33% of assets in investments that can be realised within 28 days and a total of 75% of assets in investments that can be realised within three months, subject to loss of interest in accordance with the terms of each investment. The Trustees wish to maintain the lowest practicable level of cash within the investment portfolio.

Time Horizon - The investment portfolio is considered as a long term structure. An annual review will consider any requirement to draw cash in the coming year.

Restrictions - The Trustees have not adopted an exclusionary policy but, in accordance with Charity Commission guidelines, individual investments may be excluded if they might be perceived as conflicting with PLUS's charitable purpose or values.

Investment Fees & Charges - Fees paid to the Bank for investment services are to be charged on the basis of an agreed percentage of portfolio value. No other fees or charges will be paid. Commission earned by the Bank in the course of its investment of our assets will be credited to the portfolio.

Management - Investments are managed by the Bank in accordance with a written mandate which has been agreed by the Board of Trustees, a copy of which is held at the Charity's Registered Office. The mandate requires that any two signatories are required to authorise each transaction or instruction related to the operation of the account. Any one signatory is required to countermand an instruction given to the Bank. As a minimum, the Chair, Honorary Treasurer, Company Secretary and one senior manager are to be signatories. In addition, the Board may nominate further Trustees or senior employees to operate the investment account.

Reporting and Monitoring - The Trustees require the Bank to provide a quarterly report, showing the overall value of the portfolio; the value and changes in value of each investment; fees charged and a commentary on the performance of each asset class. In the report, the performance of the portfolio will be measured against indices for standard industry benchmarks. An annual summary report is also required for the period 1 April to 31 March, in line with the Charity's financial year.

Policy Approval and Review - The Chief Executive will ensure that the Investment Policy is reviewed at least annually by a senior member of staff who has relevant experience. Any significant changes in risk exposure or proposed changes to the Policy will be referred to the Board of Trustees for discussion and agreement. A review of the Policy may be initiated by the Board at any time. The Policy must be agreed by the Board and signed on their behalf by a Trustee.



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

Responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the trustees are required to:

- ❑ Select suitable accounting policies and then apply them consistently;
- ❑ Comply with applicable accounting standards including FRS 102, subject to any material departures disclosed in the financial statements;
- ❑ State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures disclosed and explained in the financial statements;
- ❑ Make judgments and estimates that are reasonable and prudent;
- ❑ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit Information

So far as each of the directors at the time the Trustees' Report is approved is aware:

- a) there is no relevant information of which the auditors are unaware; and
- b) they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.



**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2021**

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors in company law of the Charity.

Approved by the trustees on 20 September 2021 and signed on their behalf by:

SCBroad

Sarah Broad, Treasurer



PLUS (Providence Linc United Services)

Statement of Financial Activities

For the year ended 31st March 2021

Opinion

We have audited the financial statements of PLUS (Providence Linc United Services) ('the company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



PLUS (Providence Linc United Services)

Statement of Financial Activities

For the year ended 31st March 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



PLUS (Providence Linc United Services)

Statement of Financial Activities

For the year ended 31st March 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council



PLUS (Providence Linc United Services)

Statement of Financial Activities

For the year ended 31st March 2021

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



PLUS (Providence Linc United Services)

Statement of Financial Activities

For the year ended 31st March 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Marc Knight CMA UK₂

Luke Holt (Senior Statutory Auditor)

for and on behalf of **Moore Kingston Smith LLP**, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: *7 October 2021*



PLUS (Providence Linc United Services)
Statement of Financial Activities
For the year ended 31st March 2021

Statement of Financial Activities	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments					
<i>Investment income</i>	2	-	42,759	42,759	64,929
<i>Charitable activities</i>					
Care & Support	3	59,377	5,021,486	5,080,863	4,540,191
Housing & Rental	3	-	46,623	46,623	47,918
Total income		<u>59,377</u>	<u>5,110,867</u>	<u>5,170,244</u>	<u>4,653,038</u>
Expenditure					
<i>Cost of raising funds</i>					
Investment manager fees		-	31,890	31,890	31,518
<i>Charitable activities</i>					
Care & Support		36,084	4,722,072	4,758,156	4,438,992
Housing & Rental		-	293,421	293,421	383,471
Total expenditure	4	<u>36,084</u>	<u>5,047,382</u>	<u>5,083,466</u>	<u>4,853,981</u>
Net operating expenditure		23,293	63,485	86,778	(200,943)
Net gains/(losses) on investment assets	11	-	1,016,066	1,016,066	(344,858)
Net income /(expenditure)		23,293	1,079,551	1,102,844	(545,801)
Other recognised gains and losses					
Gains on revaluation of fixed assets	10	-	370,526	370,526	-
		23,293	1,450,077	1,473,370	(545,801)
Reconciliation of funds					
Funds brought forward at 1 April 2020		<u>76,331</u>	<u>6,663,985</u>	<u>6,740,316</u>	<u>7,286,117</u>
Funds carried forward at 31 March 2021		<u><u>99,624</u></u>	<u><u>8,114,062</u></u>	<u><u>8,213,686</u></u>	<u><u>6,740,316</u></u>

All of the above results are derived from continuing activities. All gains and losses are recognised in the year and are



PLUS (Providence Linc United Services)

Balance Sheet

For the year ended 31st March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Intangible fixed assets	9		70		685
Tangible fixed assets	10		1,884,460		1,566,633
Investments	11		<u>5,351,838</u>		<u>4,531,850</u>
			7,236,368		6,099,168
Current Assets					
Debtors	12	473,264		235,093	
Cash at bank and in hand		<u>1,099,002</u>		<u>918,667</u>	
		1,572,266		1,153,760	
Creditors: Amounts falling due within one year	13	<u>(594,948)</u>		<u>(512,612)</u>	
Net Current Assets			<u>977,318</u>		<u>641,148</u>
Total Assets less Current liabilities			<u><u>8,213,686</u></u>		<u><u>6,740,316</u></u>
Funds					
Restricted funds	16		99,624		76,331
Unrestricted funds:	17				-
Designated funds (including revaluation reserve)			3,913,990		3,367,764
General funds			<u>4,200,072</u>		<u>3,296,221</u>
			<u><u>8,213,686</u></u>		<u><u>6,740,316</u></u>

These financial statements were approved by the Trustees and authorised for issue

on 27 September 2021 and signed on their behalf by:

D. I. Dannreuther
Chair

Company number: 02782712



PLUS (Providence Linc United Services)

Statement of Cash Flows

For the year ended 31st March 2021

	2021 £	2020 £
Cash flow/(outflow) from operating activities		
Net cash(used in)/ provided by operating activities	<u>(36,925)</u>	<u>(202,316)</u>
Cash flows from investing activities		
Investment income and interest received	42,759	64,929
Proceeds from disposal of fixed asset investments	2,074,517	670,334
Acquisition of fixed asset investments	(1,878,439)	(710,796)
Payments to acquire tangible fixed assets	(21,578)	(119,332)
Payments to acquire intangible fixed assets	-	-
Net cash flows from investing activities	<u>217,260</u>	<u>(94,865)</u>
Net decrease in cash and cash equivalents	180,335	(297,181)
Cash and cash equivalents at beginning of year	<u>918,667</u>	<u>1,215,848</u>
Cash and cash equivalents at end of year	<u><u>1,099,002</u></u>	<u><u>918,667</u></u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) including endowments	1,102,844	(545,801)
Adjustments for:		
Net losses/(gains) on investments	(1,016,066)	344,858
Amortisation charge	616	951
Depreciation charge	74,277	66,850
Investment income	(42,759)	(64,929)
(Increase)/decrease in debtors	(238,171)	50,112
(Decrease)/Increase in creditors	82,334	(54,357)
Net cash (used in)/ provided by operating activities	<u><u>(36,925)</u></u>	<u><u>(202,316)</u></u>

Net debt

	01-Apr	Cash flows	Other	31-Mar
Cash at bank and in hand	<u>918,667</u>	<u>180,335</u>	<u>-</u>	<u>1,099,002</u>



**PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)**

1: Accounting Policies

- a. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of freehold land and buildings and investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102; the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

- b. The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on fee income.

The impact of the Covid-19 pandemic has been considered by analysing financial impacts on the Charity to date and by making projections for the 12 months following the approval of these Financial Statements. There is no likely scenario in which Covid-19 will affect the status of the Charity as a going concern, although there is a risk of a reduction in the value of investments in the event of a resurgence of the infection.

After making enquiries, the Trustees have concluded that there are no material uncertainties as to whether the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

- c. Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.
- d. Income received under contract is accounted for on an accruals basis. Contract income is allocated in the Statement of Financial Activities to the charitable activity to which it relates.
- e. Other income includes government grants of £33093 received in respect of furloughed employees under the coronavirus Job Retention Scheme.
- f. Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified as expenditure from the fund.
- g. Unrestricted funds are donations and other income received or generated for charitable purposes.



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

- h. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- i. Resources expended are accounted for on an accruals basis. Care & Support, and Housing & Rental costs comprise direct costs incurred in carrying out the charitable activities of the organisation including direct staff costs and directly attributable running costs. Central costs which include staff costs and overhead expenses are allocated to charitable activities on the basis of staff time spent supporting those activities.
- j. Governance costs are costs associated with governing the Charity, including strategic planning and compliance with constitutional and statutory requirements.
- k. The Charity capitalises tangible assets with an acquisition value of over £1,000. Depreciation is provided on all tangible assets excluding freehold property at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:
 - Furniture and fittings: 4 years
 - Motor vehicles: 4 years
 - Digital equipment: 4 years
- l. The Charity capitalises intangible assets with an acquisition value of over £1,000. Amortisation is provided on all intangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:
 - Software 4 years
- m. Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.
- n. Investments held as fixed assets are revalued at mid-market value at the balance sheet date and gains or losses taken to the Statement of Financial Activities.
- o. The Charity operates defined contribution pension schemes with NOW Pensions and Prudential. The assets of the schemes are held separately from those of the Charity in an independently-administered fund by the pension providers. The pension cost charge represents contributions payable under the scheme by the Charity to the fund. The Charity has no liability under the schemes, other than for the payment of those contributions. The company also makes monthly contributions for one employee to the National Health Service Pension Scheme. This scheme is an unfunded multi-employer defined benefit scheme as described in FRS 102. As a consequence it is not possible to identify the Charity's share of the underlying scheme liabilities therefore the scheme is accounted for as a defined contribution scheme. Contributions are set in relation only to the current service period and are not affected by any surplus or deficit in the scheme relating to past service of employees of the Charity.

Estimated future differences between scheme assets and liabilities are being adjusted through increases or decreases in future service contributions.
- p. The costs of short-term employee benefits are recognised as a liability and an expense.
- q. Cash and cash equivalents include cash in hand; deposits held at call with banks; other short-term liquid investments with original maturities of three months or less.
- r. The Charity has elected to apply the provision of Section 11, "Basic Financial Instruments" of FRS



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

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. With the exceptions of prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for the debtor and creditor notes.

- s. In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

The following judgement is considered by the trustees to have most significant effect on amounts recognised in the financial statements:

The charity's freehold property and investment property is included in the financial statements at valuation as described in notes 9 and 11 to the financial statements. This is considered to be a critical accounting estimate in view of the amounts involved and the judgements applied in their valuation, particularly in light of uncertainties arising from the coronavirus pandemic. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are generally functioning, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

Whilst there is sufficient evidence of current values caution remains. The impact of lockdown measures will inevitably lead to values adjusting for a period whilst market uncertainty prevails but with hope of some recovery over the longer term if normal market conditions resume.

The investment property was last re-valued by a third party, Bruton Knowles LLP, in April 2021 in accordance with the RICS Valuation – Global Standards (effective from 31 January 2020), which incorporates the International Valuation Standards 2020 (IVS), published by the Royal Institution of Chartered Surveyors.

The Trustees have re-considered the valuations as at the balance sheet date with reference to advice from third party experts and comparable available market information, factoring in the potential impact of the coronavirus. The Trustees consider that the updated valuations represent the best estimate of fair value at the balance sheet date.

2 Investment Income

	2021	2020
	£	£
Bank interest	143	4,139
Investment income	42,615	60,790
	<u>42,759</u>	<u>64,929</u>

Income from Charitable

3 Activities

2021



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

	Restricted	Unrestricted	Total
	£	£	£
London Borough of Lewisham	-	3,746,049	3,746,049
London Borough of Southwark	-	867,485	867,485
London Borough of Croydon	-	38,637	38,637
London Borough of Sutton	-	110,820	110,820
Lewisham Supporting People Team	-	-	-
Direct Charges Outreach	-	-	-
Other income	-	17,898	17,898
Direct Charges leisure	-	-	-
Tenant charges	-	46,623	46,623
Housing Association charges	-	906	906
NHS Lambeth	-	154,312	154,312
Other grants	-	40,608	40,608
COVID FUND	59,377	44,772	104,149
	<u>59,377</u>	<u>5,068,109</u>	<u># 5,127,486</u>

	Restricted	Unrestricted	2020 Total
	£	£	£
London Borough of Lewisham	-	3,267,925	3,267,925
London Borough of Southwark	-	1,019,046	1,019,046
London Borough of Croydon	-	39,170	39,170
London Borough of Sutton	-	142,124	142,124
Lewisham Supporting People Team	-	559	559
Direct Charges Outreach	-	44,036	44,036
Other income	-	9,503	9,503
Direct Charges leisure	-	16,922	16,922
Tenant charges	-	47,918	47,918
Housing Association charges	-	906	906
	<u>-</u>	<u>4,588,109</u>	<u>4,588,109</u>



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

4 Total Expenditure

	Care & Support	Housing & Rental	Governance	Central costs	2021 Total
	£	£	£	£	£
Staff salaries	3,695,046	-	-	228,805	3,923,852
Covid salary costs	36,084	-	-	-	36,084
Agency staff	402,674	-	-	-	402,674
CSV, travel and sundry expenditure	580	-	-	332	912
Food and provisions	62,936	-	-	4,740	67,676
Property expenditure	35,127	158,181	-	91,478	284,786
Housing Assoc charges	-	60,571	-	-	60,571
Day services & Art Therapy	169	-	-	-	169
Legal and professional	13,502	-	-	32,686	46,188
Audit and consultancy	-	-	11,700	193	11,893
Support costs	61,870	35,523	-	119,378	216,771
Total direct costs	4,307,988	254,276	11,700	477,613	5,051,577
Allocation of central costs	450,168	39,145	(11,700)	(477,613)	
Total resources expended :	4,758,156	293,421	-	-	5,051,577

Central costs are allocated to charitable activities on the basis of staff time spent supporting those activities (Care & Support: 94%, Housing & Rental: 6%).

4 Total Expenditure

	Care & Support	Housing & Rental	Governance	Central costs	2020 Total
	£	£	£	£	£
Staff salaries	3,259,931	-	-	175,510	3,435,441
Agency staff	551,255	-	-	15,276	566,531
CSV, travel and sundry expe	3,324	-	-	1,143	4,467
Food and provisions	58,112	-	-	3,884	61,996
Property expenditure	29,547	269,430	-	69,686	368,663
Housing Assoc charges	-	60,070	-	-	60,070
Day services & Art Therapy	21,986	-	-	-	21,986
Legal and professional	21,108	-	-	72,477	93,585
Audit and consultancy	-	-	10,800	-	10,800
Support costs	93,097	36,852	-	68,975	198,924
Total direct costs	4,038,360	366,352	10,800	406,951	4,822,463
Allocation of central costs	400,632	17,119	(10,800)	(406,951)	
Total resources expended :	4,438,992	383,471	-	-	4,822,463

Central costs are allocated to charitable activities on the basis of staff time spent supporting those activities (Care & Support: 99%, Housing & Rental: 1%).



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

5 Net Incoming Resources for the Year

	2021 £	2020 £
This is stated after charging/(crediting):		
Auditors' remuneration	11,700	10,800
Auditors' remuneration - prior year (over)/under provision	-	4,514
Auditors' remuneration - accounting services	-	2,568
Amortisation	616	951
Depreciation	74,277	66,850
Operating lease rentals - property	78,750	78,750
Operating lease rentals - other	2,495	3,833
	<u> </u>	<u> </u>

6 Staff Salaries and Numbers

	2021 £	2020 £
Staff emoluments during the year:		
Salaries and wages	3,529,153	3,117,647
Pension costs	76,242	66,368
Total emoluments	<u>3,605,395</u>	<u>3,184,015</u>
Social security costs	<u>304,048</u>	<u>251,427</u>
Total staff costs	<u>3,909,444</u>	<u>3,435,442</u>

One employee received emoluments of between £80,000 to £90,000 (2021: 1 employee £70,000 to £80,000). No other employees received emoluments of more than £60,000 (2021: nil).

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the Chief Executive). The total employee benefits of the charity's key management personnel were **£303,994** (2020: **£294,570**). No trustee received any remuneration as part of this figure.

Average weekly number of employees during the year:

Operational Services	97	93
Central Services	18	21
Bank staff	<u>66</u>	<u>61</u>
	<u>181</u>	<u>175</u>

The pension contributions relate to five separate defined contribution schemes. There were **£22,864** outstanding contributions due at **31 March 2021** (2020: **£18,642**).

7 Trustees

No remuneration was paid to any trustee for services as a trustee (2021: nil) and no trustees were reimbursed any expenses during the year (2020).

8 Taxation

All income is charitable and applied for charitable purposes and therefore is exempt from corporation tax.



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

9 Intangible Fixed Assets

	Computer Software 2021 £	Computer Software 2020 £
Cost		
At 1st April 2020	12,841	12,840
Accumulated Amortisation		
At 1st April 2020	12,155	11,204
Charge for the year	616	951
At 31st March 2021	<u>12,771</u>	<u>12,155</u>
Net Book Value		
At 31st March 2021	<u>70</u>	<u>685</u>
At 31st March 2020	<u>686</u>	<u>1,636</u>

10 Tangible Fixed Assets

	Freehold Land and Buildings £	Furniture and Equipment £	Motor Vehicle	Computer Equipment £	Total £
Cost/Market Value					
At 1st April 2020	1,394,474	400,414	36,994	21,731	1,853,613
Additions	-	21,578	-	-	21,578
Disposal	-	(14,060)	-	-	(14,060)
Revaluation	370,526	-	-	-	370,526
At 31st March 2021	<u>1,765,000</u>	<u>407,932</u>	<u>36,994</u>	<u>21,731</u>	<u>2,231,657</u>
Accumulated Depreciation					
At 1st April 2020	-	259,282	8,551	19,146	286,979
Charge for the year	-	62,444	9,249	2,585	74,277
Eliminated on disposal	-	(14,060)	-	-	(14,060)
At 31st March 2021	<u>-</u>	<u>307,666</u>	<u>17,799</u>	<u>21,731</u>	<u>347,197</u>
Net Book Value					
At 31st March 2021	<u>1,765,000</u>	<u>100,266</u>	<u>19,195</u>	<u>(0)</u>	<u>1,884,460</u>
At 31st March 2020	<u>1,394,474</u>	<u>141,132</u>	<u>28,443</u>	<u>2,584</u>	<u>1,566,634</u>

All tangible fixed assets are used for direct charitable purposes.

The freehold property was re-valued by a third party, Bruton Knowles Surveyors, in February 2021 in accordance with the Practice Statements and Guidance Notes contained in the Valuation Standards of the Royal Institution of Chartered Surveyors (RICS) 6th Edition. The Trustees consider that the updated valuations represent the best estimate of fair value at the balance sheet date.

The original cost of the freehold and buildings was £545,000.



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

11 Fixed Asset Investments

	2021	2020
	£	£
UK Quoted investments		
Market value at 1st April	3,472,670	3,777,066
Purchases	1,878,439	710,796
Proceeds on disposals	(2,074,517)	(670,334)
Net realised investment gain / (loss)	238,170	(69,313)
Net unrealised investment gain / (loss)	712,078	(275,545)

Market value at 31st March	4,226,839	3,472,670
----------------------------	-----------	-----------

Properties

Market value at 1st April 2020		
Unrealised gain	1,059,181	500,000
	65,819	559,181
	1,125,000	1,059,181

Total Investments at 31 March	5,351,839	4,531,851
-------------------------------	-----------	-----------

Geographical Analysis

United Kingdom investments	3,300,716	2,492,622
Overseas Investments	3,176,125	2,039,229
	6,476,841	4,531,851

Investment Assets comprising over 5% of the portfolio:

	2021	2020
Vanguard S+P 500 ETF -GBP-Dis	308,394	237,613
iShares FTSE100 Index Fund ETF GBP	-	228,720
JO Hambro UK Equity Income Accumulation Units I	-	231,478
UBS ETF-MSCI EMU UCITS ETF GBP	-	-
William Blair US SM Gwt -J-GBP-Dis	243,996	-
Trojan Income Fund -X-GBP-Inc.	216,740	-
Robeco BP Global Premium Equities	251,180	-
Market value at 31st March	1,020,310	697,811

The investment property was re-valued by a third party, Bruton Knowles Surveyors, in February 2021 in accordance with the Practice Statements and Guidance Notes contained in the Valuation Standards of the Royal Institution of Chartered Surveyors (RICS) 6th Edition. The Trustees consider that the updated valuations represent the best estimate of fair value at the balance sheet date.



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

12 Debtors	2021	2020
	£	£
Trade debtors	258,010	147,237
Prepayments and accrued income	204,954	83,073
Other debtors	10,300	4,783
	<u>473,264</u>	<u>235,093</u>

13 Creditors: Amounts falling due within one year	2021	2020
	£	£
Trade creditors	146,305	72,695
Taxation & social security	89,679	69,081
Accruals and other creditors	358,964	370,835
	<u>594,948</u>	<u>512,611</u>

Included in accruals and other creditors is an amount £22,864 (2020: £18,642) relating to

14 Future Financial Commitments

At 31st March 2021 the charity had total commitments under operating leases as follows:

	Land and Buildings		Other Operating Leases	
	2021	2020	2021	2020
	£	£	£	£
Operating lease which expires:				
Less than 1 year	78,750	78,750	2,495	3,833
Between two and five years	315,000	315,000	9,989	-
Over five years	457,124	536,250	-	-
	<u>850,874</u>	<u>930,000</u>	<u>12,484</u>	<u>3,833</u>

At the reporting data the charity had outstanding minimum future receipts from non-cancellable operating lease, which fall due as follows:

	2021	2020
	£	£
Falling due:		
Less than 1 year	<u>9,454</u>	<u>14,714</u>



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

Analysis of Net Assets between Funds

Fund balances at 31st March 2021 are represented by:

	Restricted Funds	Designated Funds	General Funds	Total
	£	£	£	£
Intangible fixed assets	-	70	-	70
Tangible fixed assets	-	1,884,460	-	1,884,460
Investments	-	2,029,600	3,322,238	5,351,838
Current assets	99,624	-	1,472,642	1,572,266
Creditors	-	-	(594,948)	(594,948)
Total Assets less Current liabilities	99,624	3,913,990	4,199,932	8,213,686

Fund balances at 31st March 2020 are represented by:

	Restricted Funds	Designated Funds	General Funds	Total
	£	£	£	£
Intangible fixed assets	-	685	-	685
Tangible fixed assets	-	1,566,633	-	1,566,633
Investments	-	1,800,446	2,731,404	4,531,850
Current assets	76,331	-	1,077,429	1,153,760
Creditors	-	-	(512,612)	(512,612)
Total Assets less Current liabilities	76,331	3,367,764	3,296,221	6,740,316

Restricted Funds

The restricted funds of the company comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	Balance 01.04.20	Movement in Incoming	Resources: Outgoing	Transfers	Balance 31.03.21
	£	£	£	£	£
a) Carers respite service (Southwark & Lewisham)	76,331	-	-	-	76,331
	-	59,377	(36,084)	-	23,293
b) Infection Prevention & Control and LFD Testing Fund					
	76,331	59,377	(36,084)	-	99,624

	Balance 01.04.19	Movement in Incoming	Resources: Outgoing	Transfers	Balance 31.03.20
	£	£	£	£	£
a) Carers respite service (Southwark & Lewisham)	76,331	-	-	-	76,331
	76,331	-	-	-	76,331

a) The carers respite service represents grants from the London Borough of Southwark and the London Borough of Lewisham to provide short breaks for carers, including support within the home, providing weekend, evening and short breaks or attendance at clubs.

b) The Infection Prevention & Control and LFD Testing Fund is composed of restricted funding grants received from the London Boroughs of Lewisham and Southwark to defray specified costs in relation to infection control measures; safe visiting; Polymerase Chain Reaction (PCR) testing; vaccinations and Lateral Flow Device (LFD) Testing for staff, service users and visitors.



PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)

17 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance 01.04.20 £	Movement in resources Incoming £	Investment Outgoing £	Gains £	Transfers £	Balance 31.03.21 £
Designated Funds						
a) Capital fund	1,434,047	-	-	-	(53,314)	1,380,733
b) Revaluation reserve -2069	1,192,452	-	-	-	436,345	1,628,797
c) Property management fund 2038	77,107	-	(9,847)	-	18,500	85,760
d) Development fund - Property -2076	268,443	-	(1,814)	-	165,734	432,363
e) Development fund - Services -2075	189,322	-	-	-	-	189,322
f) Voids fund - 2070	186,277	-	-	-	-	186,277
g) Social fund 2071	11,766	-	(900)	-	(128)	10,738
h) Rowntree fund -2067	8,350	-	-	-	(8,350)	-
Total Designated Funds	3,367,764	-	(12,561)	-	558,787	3,913,990
General Funds	3,296,221	5,110,867	(5,034,821)	1,386,592	(558,787)	4,200,072
Total Unrestricted Funds	6,663,985	5,110,867	(5,047,382)	1,386,592	-	8,114,062

	Balance 01.04.19 £	Movement in resources Incoming £	Investment Outgoing £	Gains £	Transfers £	Balance 31.03.20 £
Designated Funds						
a) Capital fund	1,434,656	-	-	-	(609)	1,434,047
b) Revaluation reserve -2069	1,192,452	-	-	-	-	1,192,452
c) Property management fund 2038	107,070	-	(49,963)	-	20,000	77,107
d) Development fund - Property -2076	105,295	-	(36,852)	-	200,000	268,443
e) Development fund - Services -2075	182,102	-	(3,780)	-	11,000	189,322
f) Voids fund - 2070	215,277	-	(29,000)	-	-	186,277
g) Social fund 2071	12,381	-	(615)	-	-	11,766
h) Rowntree fund -2067	8,350	-	-	-	-	8,350
Total Designated Funds	3,257,583	-	(120,210)	-	230,391	3,367,764
General Funds	3,952,203	4,653,038	(4,733,771)	(344,858)	(230,391)	3,296,221
Total Unrestricted Funds	7,209,786	4,653,038	(4,853,981)	(344,858)	-	6,663,985



**PLUS (Providence Linc United Services)
Notes to the Financial Statements
For the year ended 31st March 2021
(Continued)**

17 Unrestricted funds (continued)

Designated funds

- The Capital Fund represents funds held within fixed assets.
- a) The Revaluation Reserve represents the total unrealised gains on freehold properties and fixed asset investments.
 - b) Property Management Fund. The Trustees have estimated the level of funds required for repairs and maintenance to be carried out on properties owned or leased by the Charity.
 - c) The Property Development Fund is for improvements and adaptations to properties owned or leased by the Charity. It is also intended for property acquisition to further the aims of the Charity.
 - d) The Services Development Fund is for the development of new services to further the aims of the Charity.
 - e) The Voids Fund represents money set aside to cover losses of income due to un-funded service user vacancies in residential and supported living schemes.
 - f) The Social Fund is used to provide welfare grants to service users on application to a committee of service users and staff.
 - g) The Rowntree Fund is a welfare fund for service users originating from the legacy of Mrs Rowntree.

18 Related party transactions

There were no related party transactions in the current or prior year that require disclosure.

19 Company limited by guarantee

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2021 was 9 (2019 = 10).

